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12 DECEMBER 1986

## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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12 DECEMBER 1986

## SOUTHEAST ASIA REPORT

## CONTENTS

## BURMA

- City-Dwellers Battle 'Soaring Inflation'  
(Zaw Win Reuter; BANGKOK POST, 3 Nov 86) ..... 1

## INDONESIA

- Former OPM Leader Describes Experience  
(Chris Pash; POST-COURIER, 13 Nov 86) ..... 2

## Briefs

- Italian Aid ..... 4  
West Nusatenggara Rice Surplus ..... 4  
ROK To Increase Investment ..... 5  
Plywood Industry Recovery ..... 5

## MALAYSIA

- UN Envoy on Antarctica Debate in General Assembly  
(Kuala Lumpur International Service, 19 Nov 86) ..... 6

- Commentary Criticizes Herzog Visit to Singapore  
(Kuala Lumpur International Service, 20 Nov 86) ..... 7

## Briefs

- Soviet Transport Delegation Visit ..... 9  
Foreign Fishing Boats Detained ..... 9

## NEW CALEDONIA

## Briefs

- Marines Stationed on East Coast ..... 10

## PHILIPPINES

- Paper Reports Secrecy in Japanese Businessman's Kidnap Case  
(THE MANILA CHRONICLE, 18 Nov 86) ..... 11

Cartoon Parodies Ramos as Guardian of Presidency (ANG PAHAYAGANG MALAYA, 12 Nov 86) .....	13
Survey Shows Aquino, Ramos Get High Marks (THE MANILA CHRONICLE, 17 Nov 86) .....	14
Paper Reports Alarm Over Leyte Militarization (BUSINESS DAY, 18 Nov 86) .....	16
Military Fighting 'Proxy War' in Negros (THE MANILA TIMES, 18 Nov 86) .....	17
Reportage on NPA-Military Encounters (Various sources, various dates) .....	19
8 NPA Suspects Killed in Davao, by Romy Chan	19
12 Killed in Laguna, Cotabato	19
Nueva Ecija NPA Victims' Graves, by A. S. Roque	20
2 Patrolmen Killed in Laguna, by Louie Manipol	21
Cebu NPA Sparrows, OICs Arrested, by Jose de Vera	21
5 NPA, 1 CHDF Killed in Quezon, by O. Masaganda	22
Mindanao Rebels Want Continued Truce Talks (PHILIPPINES DAILY INQUIRER, 19 Nov 86) .....	24
Tatad Cautions Against Leftist Opportunism (Francisco S. Tatad; BUSINESS DAY, 18 Nov 86) .....	25
'At Least' 50 Killed in Unabated Tribal War (BUSINESS DAY, 18 Nov 86) .....	27
Aquino Issues Tougher Decrees Against Torture (THE MANILA CHRONICLE, 18 Nov 86) .....	28
Paper Reports Business Tolerant of KMU Strike (THE MANILA CHRONICLE, 18 Nov 86) .....	29
Sweden Restores Top Level Official Relations (AFP, 18 Nov 86) .....	31
Imports Expected to Outpace Exports Until 1992 (Daniel C. Yu; BUSINESS DAY, 18 Nov 86) .....	32
Minister Presents Economic Growth Plan (BUSINESS DAY, 20 Nov 86) .....	34
Paper Reports Proposals on Foreign Loans (Daniel C. Yu; BUSINESS DAY, 19 Nov 86) .....	36
Central Bank Reports Rise in 'Reserve Money' (BUSINESS DAY, 19 Nov 86) ..-.....	38



Ongpin on Creditor Banks' Political Stability Doubts (Ray Enano; THE MANILA CHRONICLE, 16 Nov 86) .....	40
Columnist on Tense Labor Situation, Economy (Jake Macasaet; ANG PAHAYAGANG MALAYA, 20 Nov 86) .....	43
Special Terms Granted Investors of Tourist Projects (THE MANILA CHRONICLE, 16 Nov 86) .....	45

#### THAILAND

Muslims Protest Dress Rules, Army Responds (MATICHON, 8 Oct 86) .....	46
Princess Sirinthon To Get Degree, Classmates Describe Performance (MATICHON, 25 Sep 86) .....	49
Rotation of Prem Military Aides Discussed (LAK THAI, 2 Oct 86) .....	51
New Army Vice Chiefs of Staff Profiled (LAENG KHAO, 15-22 Sep 86) .....	56
Lieutenant General Charuay Wongsayan	56
Lieutenant General Suchinda Kraprayun	57
Paper Profiles New First Army Commander (DAILY NEWS, 29 Sep 86) .....	59
Profile of CRMA Class 12 Cites Leaders (LAK THAI, 2 Oct 86) .....	61
New Border Patrol Police Chief Profiled (DAILY NEWS, 22 Sep 86) .....	64

#### VIETNAM

#### VIETNAM

##### MILITARY AFFAIRS AND PUBLIC SECURITY

Vinh Phy Builds Up Reserve Forces (NHAN DAN, 15 Sep 86) .....	66
Citizen Complaints Often Unanswered (Vu Thai Phuong, Ngoc The; NHAN DAN, 24 Sep 86) .....	69

##### PARTY ACTIVITIES AND GOVERNMENT

Need for Improved State Effectiveness Noted (Nguyen Nieu; NHAN DAN, 15 Sep 86) .....	72
---	----

## ECONOMIC PLANNING, TRADE, AND FINANCE

Ho Chi Minh City Subdivisions Fall Behind in Fulfilling Plans (TIEU CONG NGHIEP THU CONG NGHIEP, 26 Sep 86) .....	76
--	----

Collection of License Tax Explained (TIEU CONG NGHIEP THU CONG NGHIEP, 26 Sep 86) .....	78
--	----

Editorial Urges Compliance With Economic Laws (NHAN DAN, 22 Sep 86) .....	80
--	----

## AGRICULTURE

Chemical Fertilizers Still in Short Supply (NHAN DAN, 25 Sep 86) .....	82
---	----

## HEAVY INDUSTRY AND CONSTRUCTION

Dac Lac Peat Deposits Developed (Tran Huu Tong; QUAN DOI NHAN DAN, 8 Sep 86) .....	84
---	----

## LIGHT INDUSTRY

Food Industry Official Urges Increased Sector Development (Luu Thi Phuong Mai; NHAN DAN, 15 Sep 86) .....	89
--	----

Status of Artistic Goods Exports Called Alarming (Tan Minh; TIEU CONG NGHIEP THU CONG NGHIEP, 26 Sep 86) .....	94
---	----

Artistic Handicrafts in Phy Khanh Fall Short of Plan (Ngoc Vu, Hong Phong; TIEU CONG NGHIEP THU CONG NGHIEP, 26 Sep 86) .....	97
---	----

## LABOR

More Fairness Toward Wage Earners Urged (Nguyen Nguyen; QUAN DOI NHAN DAN, 9 Sep 86) .....	100
---	-----

Cadre Promotion, Selection Process Needs Improvement (Le Trong Luu; NHAN DAN, 22 Sep 86) .....	102
---	-----

## HEALTH, EDUCATION, AND WELFARE

Rural Area Cadres Need Timely, Concise Information (Huu Tho; NHAN DAN, 22 Sep 86) .....	104
--	-----

Reader Suggests Better Food Sanitation Inspection (NHAN DAN, 22 Sep 86) .....	106
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BURMA

# CITY-DWELLERS BATTLE 'SOARING INFLATION'

Bangkok BANGKOK POST in English 3 Nov 86 p 29

[Article by Zaw Win Reuter]

[Text]

FOR Burmese city-dwellers fighting soaring inflation, a single candle can be a sign of extravagance.

Prices of basic consumer goods have soared this year and there is no relief in sight.

"Our meals seem to grow smaller," complained one troubled pensioner.

The popular *ngakhu* fish jumped in price to 25 kyats (about 66 baht) a kilo from 16 kyats in January. Chicken and pork prices rose about 15 per cent in the same period.

Soap has doubled to about 65 baht a bar, cigarettes cost 52 baht a packet and candles have come so costly that a popular monthly

magazine made them the subject of a cartoon.

It shows a couple of passers-by agog at the wealth of a homeowner whose single candle flickers brightly in a window.

Another cartoonist caught the popular frustration over prices by depicting a husband telling his astounded wife on payday: "After paying all our debts for the month, I took the rest of my salary and bought a cigarette."

Peasants who catch fish from streams, keep their own pigs and poultry and depend on traditional medicines are slightly more insulated than townspeople from the vagaries of the market.

State workers get rations of staples like rice and cooking oil at fixed prices. Professionals have to moonlight for extra income.

The minimum daily wage for labourers is seven kyat — about 26 baht. One, who has two jobs and whose wife also works selling sweets, said he was just scraping by.

"There is no easy way out of the price spiral," Prime Minister Maung Maung Kha told Parliament. He blamed expensive imports of machinery and other industrial items for pushing up production costs.

Halfway into the 1986-87 fiscal year, Burma has only earned 28 per cent of its targeted export income of US\$571 million.

The country suffered a trade deficit last fiscal year, when exports totalled \$426 million compared to \$694 million worth of imports.

Prices are soaring on both the official and the "shadow" or black market. Most people deal on the black market because few state-controlled goods are available for sale.

But the latest bout of inflation has had relatively little impact on lifestyles. Honest Burmese have always had to be frugal.

Cinemas are still well attended although free stage shows and cultural events draw bigger crowds.

The state-owned television service, now in its sixth year, also provides another form of entertainment. TV sets are expensive and in short supply, but many people fortunate enough to have one are happy to watch in the company of those who don't.

INDONESIA

FORMER OPM LEADER DESCRIBES EXPERIENCE

Port Moresby POST-COURIER in English 13 Nov 86 p 16

[Article by Chris Pash]

[Text] Adelaide: A new generation of "stone age" rebel has risen in the jungles of Irian Jaya to fight with bow and arrow, spear and stone axe against the automatic weapons of Indonesian rule.

The leaders of the OPM (Free Papua Movement) have been replaced by younger men who were infants when Indonesia took control of one half of the island of New Guinea more than 20 years ago.

Jacob Prai, 44, a founding member and former leader of the OPM, says most of the old leaders have left the jungle.

Prai is currently touring Australia for the first time to make people aware of alleged human rights violations in Irian Jaya.

He is visiting Canberra, Sydney, Newcastle, Wollongong, Melbourne and Hobart.

The current leader of the OPM in the bush is Fisor Yaristou, a "young man" who was a member of Prai's Papuan Youth Movement, a resistance group he formed in 1962.

Yaristou grew up with the OPM in the jungle, later became chairman of the OPM senate and this year was elected leader.

He took the place of James Nyaro who, after years of dodging Indonesian patrols and

trying to keep the OPM together, gave himself up to Papua New Guinea authorities in 1985.

No outsider has talked to Nyaro since he gave himself up but it is believed he was a sick man and "too tired" to continue.

Prai did not leave by choice.

He was grabbed by Papua New Guinean authorities in 1978 while camped near the northern coastal border town of Vanimo.

He received what he thought to be a genuine message to meet with the then Prime Minister of Papua New Guinea, Michael Somare (currently Opposition Leader).

"I got a letter from Michael Somare," he said.

"I told my bodyguard to leave their guns at the border."

Without the guns, he met with arrest, jail and later deportation to Sweden where he now lives in exile with his wife and five children.

Suburban Stockholm is a long way from where he was born — a small village some 80km from Jayapura, the

capital of Irian Jaya.

"My father was killed by the Japanese in World War II," he said.

"He was a fighting man, chief of his clan."

Prai doesn't look like a violent man and he didn't think he would become one when he was a boy and believed the teachings of his protestant missionaries.

Later in life he turned his back on Christian teaching because he couldn't come to terms with the church standing by while his people suffered.

He was educated at a Dutch mission school and went to Cenderawasih University in Jayapura to study law.

As a student he was chairman of his underground group, the Papuan Youth Movement, designed to unify resistance to Indonesian authority.

In between studying, Prai would make short trips to the jungle to visit armed rebels and several times crossed the border to Papua New Guinea.

"A few weeks before his exams in 1968, he had his head in a pile of books when soldiers came to arrest him."

"I was in jail only two days," Prai said.

"There was a West Papuan policeman who helped me and at midnight I just walked straight out.

"I went to the jungle and created my OPM base."

Life for the next 10 years was constant movement, listening for planes, playing a deadly game of hide and seek with Indonesian patrols.

"It's very hard...you have to run like a pig through the jungle," he said.

"Maybe in one month you have to build 10 huts because it's not guaranteed safe in one place."

"The Indonesian planes were bombing all the time."

The OPM rebels don't have any outside support in the form of guns or money, according to Prai, but they regularly capture rifles from Indonesian patrols and outposts.

They fight a true guerilla war, never confronting the enemy head on, always nibbling at the edges from their own ground.

Prai says Indonesian patrols rarely go far, travelling just a few hours a day, but bare-foot OPM rebels can keep going for 12 hours at a time.

A common tactic is to

split OPM forces into several groups and attack an Indonesian patrol at several points along a jungle trail.

"The Indonesian soldiers are scared of the jungle," Prai said.

Prai always would have a gun himself and so would his bodyguard but the bulk of OPM members use weapons their forefathers raised at first contact with European civilisation.

"We still use traditional weapons...bamboo arrow, spears and stone axes," he said.

Indonesia has long said the OPM uses the ill defined land border with Papua New Guinea as a shield, crossing after a skirmish to hide behind a politically defined frontier.

Jakarta has been pushing for the right to "hot pursuit", to follow rebels into Papua New Guinea, but Port Moresby has resisted.

"There are many along the Papua New Guinea side of the border who are sympathetic to the OPM," Prai said.

International recognition for the OPM comes harder.

Prai says there is no problem recruiting in Irian Jaya from the young who do not remember when Indonesia did not have control.

"They (young people)

fight automatically when they see their fathers and mothers killed," he said.

On the possibility of accepting backing from Communist countries, Prai says: "If support comes from the right or the left, we will take it because the main priority is to get free from Indonesia."

"When we get free the people will decide because we are a Melanesian society — if you kill a pig then you share with other people." (Melanesians believe those who share a task should receive the benefits.)

Prai's main concern at the moment are the thousands of Irian Jayan refugees who have crossed into Papua New Guinea since an abortive uprising by the OPM in 1984.

Up to 12,000 Irian Jayans, mainly traditional village people, are now in makeshift camps inside Papua New Guinea.

Prai blames the exodus partly on Indonesian military activity and partly on transmigration, a program to resettle Javanese in Irian Jaya.

"Australia must recognise them (Irian Jayans in Papua New Guinea) as refugees and let some come here," he said.

/9274

CSO: 4200/161

INDONESIA

BRIEFS

ITALIAN AID--Jakarta, 25 Oct (ANTARA)--Italy has agreed to give US\$13.2 million of soft loan to Indonesia for a purchase of railway signs required for the modernization of the Surabaya-Kertoyoso railway signs in East Java. The loan was given within the IGGI (Inter-Governmental Group on Indonesia) scheme signed here Friday by Director General of Foreign Trades, Ministry for Foreign Affairs Rusli Noor and Mr Giorgio Vecchi on behalf of the Indonesian and Italian Governments respectively. Indonesia will also use the fund to modernize the railway signs along the Yogyakarta-Solo Balapan track in Central Java. Indonesia has to return the money in 20.5-year time with a 10.5-year grace period at an interest of 1.5 percent per year. Italy has been a member of the IGGI since 1967 and has extended various kinds of loans to Indonesia. Up to this year Italy has provided US\$155 million of loans through the IGGI. The fund has been used to build electricity generators in Ambon, Maluku and Balikpapan, Kalimantan, and a hospital in Manado, North Sulawesi. The Italian Government is also assisting Indonesia in the construction of a research centre for BATAN (Agency of the National Atomic Energy), carrying out a possibility study on fresh water in West Sumatra, medicine factory in Bekasi, West Java and pond fish marketing project in East Java. [Text] [Jakarta ANTARA NEWS BULLETIN in English 25 Oct 86 p A5] /9274

WEST NUSATENGGERA RICE SURPLUS--Jakarta, 4 Nov (ANTARA)--West Nusatenggara, which used to be always short of food, has recorded a surplus of 184,853 tons of rice this year, Governor of West Nusatenggara Gatot Suherman has stated. Speaking at the opening of a working conference of the provincial agricultural service in Mataram Tuesday, he said the sharp increase of rice production in the province was thanks to hard work and the spirit of cooperation of all sides. The provincial administration has successfully eradicated plant diseases, including those causing the damage of paddy. At present, wereng pest has damaged only 0.02% of paddy fields in the province. The production dry unhusked rice in West Nusatenggara in 1986 is projected at 963,836 tons, up about 5.77% over 911,213 tons last year. [Text] [Jakarta ANTARA NEWS BULLETIN in English 5 Nov 86 p A8] /9274



**ROK TO INCREASE INVESTMENT**--Tokyo, Nov 5 (ANTARA)--South Korea will try to support the Indonesian economic growth by, among others, increasing its trade volume and investment here. This was stated by chairman of the Indonesia-South Korea economic cooperation committee, Dr. Baramuli, SH in an interview with ANTARA at the Narita airport, here, Wednesday evening upon his arrival from South Korea. The country, he went on, will increase its investment in seven joint ventures comprising the chemical, electronic, garment and trade industries. Since 1967 to the end of September South Korean investment in Indonesia was recorded in 16 projects amounting to 215.40 million US dollars covering the sectors of forestry, fodder industry, textile, food, chemical industry, construction, and base metal industry. [Text] [Jakarta ANTARA NEWS BULLETIN in English 7 Nov 86 p A2] /8309

**PLYWOOD INDUSTRY RECOVERY**--Chairman of the Indonesian Wood Panel Association (APKINDO) M. Hasan stated here recently that the national plywood industry had regained its normal position. Today the national plywood industry even begins the take-off to continue its growth with its own potential, he said. The progress made in the plywood industry is thanks to the support of the government to plywood producers and the discipline shown by the producers, Hasan said, adding that the government had given serious attention to the production and marketing of plywood which had become one of the strategic export commodities for the country. Banks, which believe that the prospect of the plywood trade is bright, have helped many plywood producers in overcoming financial difficulties to expand their activities. In the effort to improve the position of Indonesia in trading plywood on the export market, APKINDO has set up joint marketing boards. Such a step has brought about the increase in the prices of Indonesian-made plywood, according to the APKINDO chairman. He pointed out that the prices of plywood had been up 20%. The bankruptcy of plywood producers in many countries is one of factors causing the increase of plywood prices on the world market, according to Hasan. Countries which formerly exported plywood become the target of the expansion of Indonesia's plywood exports now being intensified. Those countries include Singapore, Taiwan, South Korea and Japan. But Japan still imposes an import tariff of 20% on several kinds of plywood. The tariff will be lowered to 18% next year. [Text] [Jakarta BUSINESS NEWS in English 10 Nov 86 pp 1, 10] /8309

CSO: 4200/156

**MALAYSIA**

**UN ENVOY ON ANTARCTICA DEBATE IN GENERAL ASSEMBLY**

**BK190957 Kuala Lumpur International Service in English 0600 GMT 19 Nov 86**

[Text] Malaysia said today countries should not be precluded from decision-making about the Antarctic just because they could not conduct research there on a sustained basis. Malaysia's UN representative, Mr Yusof Hitam, was speaking on a debate on Antarctica in the General Assembly's main political committee which has been discussing the issue annually since 1983.

He said some of the 18 decision-making parties to the 1955-56 Antarctica committee had tried to explore the resources of the region even though the treaty had no legal order for its resource development. He said it was necessary for the United States to act, because an international dispute might develop.

The treaty, which has 32 signatories including 18 decision-makers, reserves the region for scientific research and other peaceful purposes while freezing national claims. Mr Yusof said that such a practice was only one of the many activities in Antarctica. The participation of other countries in the treaty could not be precluded simply because it could not conduct research on a sustained basis.

Ambassador Elliot Jones Jacobs of Antigua and Barbados, with which Malaysia had first pressed for UN discussion of Antarctica, said the treaty was a solid foundation on which an agreed framework for international cooperation could be built.

/9274

CSO: 4200/144



MALAYSIA

COMMENTARY CRITICIZES HERZOG VISIT TO SINGAPORE

BK201420 Kuala Lumpur International Service in English 0800 GMT 20 Nov 86

[Station commentary]

[Text] The entire Malaysian community has expressed its strong feelings over the visit of President Herzog to the Republic of Singapore. The Malaysian External Affairs Ministry has also lodged an official protest to the Singapore high commissioner in Kuala Lumpur. Malaysia feels that a visit at this time, when Zionist policies are only too evident in various aspects of international politics and in international economics, is a provocative act.

Malaysia is not the only country in the region that has reacted strongly to the Israeli president's visit. A large segment of the international community does view Israel as an aggressive nation, not only in Lebanon, but also in the West Bank territory. In spite of so many calls from world leaders, the Israeli politicians stubbornly hold on to the occupied territories. Over the years, there have been deliberately brought patches of Jewish settlers to the West Bank region to develop their own farms. This is yet another form of aggression, for the long-term policy, is obviously to cause the Arab peoples to become a minority in the midst of an Israeli majority. Any form of protest mounted by the Palestinians is met with repressive measures.

A veritable reign of terror prevails in the West Bank and in the Gaza Strip, two areas that rightfully belong to the Palestinian people. The Malaysian prime minister, in his address to the UN General Assembly, has pointed out very clearly there is a threat of Zionist intrigues and not to Judaism. The fact is that Israel in its search for respectability in the international community will try to obtain as much propaganda mileage as possible from the Herzog visit to Singapore.

It is significant that in Indonesia too, there were protests over the visit. Muslim sensitivities have been hurt by this blatant show of hypocrisy on the part of the Israelis. The Islamic nations are full of indignation over the manner in which the Israelis are treating the Islamic holy places in Jerusalem. By right, the city of Jerusalem should have been placed under direct United Nations trusteeship so as to guarantee complete freedom of worship to the three major religions represented in that city, namely Islam, Judaism, and Christianity.

There can be little doubt that it is the support given by the Reagan Administration to the Israelis state under Zionist pressure in the United States that has made the Israelis so arrogant. Considerable supplies of arms and other forms of assistance are approved annually by the U.S. Congress on the recommendation of the Reagan Administration. But there is massive propaganda in the media portraying the Israelis as a people who are all the time harassed by the Arab nations. At the same time, a lot is done to keep alive the sufferings of the Jews under Hitler. No one can deny historical happenings, but the realities of today are simply that it is the Palestinians who are searching for the home from which they have been ousted by Zionism.

It is these thoughts that have impelled the Malaysian people and the Malaysian Government to condemn the Israeli president's visit to Singapore. Malaysia knows it is not alone in this attitude of revulsion toward Israel and Zionism.

/9274

CSO: 4200/144

**MALAYSIA**

**BRIEFS**

**SOVIET TRANSPORT DELEGATION VISIT--**A 4-man delegation from the Soviet Union Transport Ministry arrived in Kuala Lumpur today for a week-long official visit. The group will hold talks with the Minister of Transport on a shipping agreement between the Soviet Union and Malaysia. A Transport Ministry spokesman said the delegation will tour Pasir Gudang Port in Johor. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 15 Nov 86 BK] /9274

**FOREIGN FISHING BOATS DETAINED--**Eighty-three foreign fishing boats have been detained this year for intruding into Malaysian waters. Deputy Agriculture Minister Luhut Wan said on 21 November that 41 of them were from Thailand. The others were from Indonesia, 22 boats; Singapore, 8; Taiwan, 2; the Philippines, 3; Vietnam, 5; and 1 each from China and Hong Kong. He told the House of Representatives that the boats were either auctioned or given to needy fishermen. Luhut Wan also said that 78 foreign fishing vessels were seized in 1985, mostly from Thailand and Indonesia. [Summary] [Kuala Lumpur Domestic Service in English 1130 GMT 21 Nov 86 BK] /9274

CSO: 4200/144

NEW CALEDONIA

BRIEFS

**MARINES STATIONED ON EAST COAST**—Two regiments of French marines, the 8th and 21st, have set up outposts in the brousse (bush) areas on the east coast of New Caledonia between Hiernghene and Thio, regarded as the stronghold of pro-independence militants. Gendarmes have also posted a motorised squadron in the centre of the main island of Grande Terre. Until now the military has played no direct role in New Caledonia. The intervention began just before the summit meeting of the 13-nation South Pacific Forum did an about-face and referred the New Caledonia independence struggle to the United Nations. It wants the territory reinscribed on the decolonisation committee's list--for the first time since 1972. [Excerpt] [From David Robie] [Suva THE FIJI TIMES in English 7 Nov 86 p 7] /9274

CSO. 4200/163

PHILIPPINES

PAPER REPORTS SECRECY IN JAPANESE BUSINESSMAN'S KIDNAP CASE

HK180945 Manila THE MANILA CHRONICLE in English 18 Nov 86 pp 1, 6

[Text] The alleged kidnappers of Japanese businessman Noboyuki Wakaoji contacted the government last Sunday, Malacanang and Diplomatic sources told the CHRONICLE yesterday.

The kidnappers, the sources said, assured the government they would keep in touch provided no details of the kidnapping were released to the media.

As a result, secrecy has shrouded the investigation of the kidnapping. Wakaoji, the local manager of Mitsui and Co Ltd was abducted by five armed men after he played golf at the Canlubang Golf and Country Club in Laguna on Saturday.

Meanwhile, a Japanese diplomat was quoted by the Reuters news agency that the government should solve Wakaoji's abduction as soon as possible "before it turns into a diplomatic fiasco that both countries want to avoid."

Reuters also said it was told by several Western diplomats that if Wakaoji were harmed, the government's "hopes of massive Japanese investment would be dashed."

Reuters also said Brig Gen Benjamin Dizon, chief of the Constabulary Highway Patrol Group (Chpg), had been asked by the Japanese Embassy to investigate a report that Wakaoji's body had been found in Laguna. Dizon said his men found no body.

The wire agency also learned that Japan wants to send its own investigators here, while Mitsui executives have flown in from Tokyo for an emergency meeting to discuss the abduction.

Presidential spokesman Teodoro Benigno, when asked to confirm the CHRONICLE's information just smiled and said, "Maybe, my smile means you're on the right track."

Benigno had cancelled last Sunday a press briefing on the case reportedly because of "an important new development." This development, the CHRONICLE learned, was the kidnapper's warning to the government to keep the lid on the case.

Meanwhile, the Japanese Embassy in Manila had adopted strict "no comment" policy on the abduction. Manila correspondents of Japanese media agencies were told by the embassy last Sunday that authorized embassy officials would issue information on the kidnapping.

Yesterday, the embassy said it would be open 24 hours to receive any message from the kidnappers.

Col Shudo Yamamoto, the military attache, said however, that kidnappers had yet to contact the embassy. He added the incident was "more than a simple case" of robbery and kidnapping.

"We are hoping they (kidnappers) would get in touch with us," Yamamoto said, adding the embassy was in close coordination with police authorities.

Until late yesterday afternoon, the nearly 100 investigators working on the case had not contacted the Japanese Embassy on progress in their work a source said.

Wakaoji's case has caused concern among diplomats in the country. One said that most of his colleagues were "pretty worried about how things are shaping up (in the country) particularly since the kidnapping of the Japanese businessman."

The diplomat added that his friends have also given the impression that the Olalia murder and the kidnapping were related and part of the efforts of a military faction to destabilize the Aquino government.

/9274

CSO: 4200/151

PHILIPPINES

CARTOON PARODIES RAMOS AS GUARDIAN OF PRESIDENCY

Quezon City ANG PAHAYAGANG MALAYA in English 12 Nov 86 p 4

[Cartoon]



/9274  
CSO: 4200/155

PHILIPPINES

**SURVEY SHOWS AQUINO, RAMOS GET HIGH MARKS**

HK180450 Manila THE MANILA CHRONICLE in English 17 Nov 86 pp 1, 2

[Text] President Aquino and Armed Forces Chief Gen Fidel V. Ramos have scored higher in Metro Manilans' estimate of their performance in office, while Defense Minister Juan Ponce Enrile has dropped to rank 21 in a list of 28 officials over the last five months.

Initial findings of the Second Public Opinion Report conducted by the Social Weather Stations (SWS) and Ateneo de Manila University showed the people gave Ramos a net perceived performance rating of 63 percent and only 36 percent to Enrile.

On the other hand, 71 percent of the population said they were satisfied with Mrs Aquino's performance as of last month, compared to only 60 percent last May.

A random sample of 1,200 respondents with 300 each selected from Metro Manila, Luzon, Visayas and Mindano answered questions regarding their perceived quality of life, peace-and-order conditions, performance of public officials and agencies, selected government policies, Constitutional issues, national security threats, foreign military bases in the country, and foreign debt.

The survey, authored by political science Prof Felipe Miranda of the University of the Philippines, followed the First Public Opinion Survey produced last May by the SWS.

Miranda is also vice president of the SWS, which made available to the CHRONICLE the gist of the Metro Manila findings.

According to Miranda, 64 percent of the respondents believed Mrs Aquino had been fulfilling her promises, 51 percent said her decisions have been respected by the Cabinet ministers.

Public awareness of government officials was high, the report said, with at least 78 percent of 28 top officials known to the respondents.

However, net perceived performance rating (portion of very satisfactory/satisfactory responses to not satisfactory/not at all [as published] responses)



listed only five officials with over 50 percent rating: Ramos, 63 percent; Supreme Court Chief Justice Claudio Teehankee, 55 percent; and Agriculture Minister Ramon Mitra Jr, Justice Minister Neptali Gonzales and Economic Planning Minister Solita Monsod, 53 percent each.

The official with the lowest rating of negative 11 percent was Local Governments Minister Aquilino Primentel Jr.

In decreasing order, the other officials were rated thus: Teodoro Locsin, 49 percent; Jose Diokno, 47; Alberto Romulo, 45; Mita Pardo de Tavera, 45; Salvador Laurel, 44; Teopisto Guingona Jr, 43; Luis Villafuerte, 42; Jose Concepcion, 42; Rene Saguisang, 40; Jose Gonzales; Alfredo Bengson, Hernando Perez, Ernesto Maceda, 38; Jovito Salonga, Heherson Alvarez, 37; Juan Ponce Enrile, 36; Lourdes Quisumbing, 33; Augusto Sanchez, 26; Jaime Ongpin, 24; Joker Arroyo, 23; Rogaciano Mercado, 21; and Jose Fernandez, 20.

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CSO: 4200/151

PHILIPPINES

PAPER REPORTS ALARM OVER LEYTE MILITARIZATION

HK181106 Quezon City BUSINESS DAY in English 18 Nov 86 p 13

[Text] Tacloban City--Members of the Sangguniang Panlalawigan [Provincial Board] here expressed alarm over the alleged "mopping-up" operations of the military in the towns of Abuyog, Baybay and Mahaplag, known "hotbeds" of insurgency.

Board members Lino Dumas and Aquilino Diaz received reports of alleged ham-letting and manhandling of civilians suspected by the military as New People's Army (NPA) supporters and sympathizers.

Dumas, who favors a regional ceasefire, suggested that the military based in the area stop its operations so that barangay folk who evacuated en masse last week could return to their homes and farms.

Diaz claimed that an OIC [officer in charge] mayor led the militarization campaign in the area. The mayor reportedly in the constant company of soldiers and at the forefront of "Oplan Liberato," an anti-insurgency campaign.

Meanwhile, Col Felino Triste, commanding officer of the 43rd infantry battalion based in Mahaplag, denounced what he calls the "undue trial by publicity of the military organization here."

He said he will never tolerate abuses committed by his soldiers against civilians.

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CSO: 4200/151

PHILIPPINES

MILITARY FIGHTING 'PROXY WAR' IN NEGROS

HK181419 Manila THE MANILA TIMES in English 18 Nov 86 p 12

[Text] Bacolod City--A proxy war seems to have ensued between the New People's Army's Front 4 and armed groups which have forged an alliance brokered by the Philippine military against the "red army."

Front 4 covers much of the northern Negros towns of Escalante, Calatrava, Toboso, Sagay and San Carlos City. It was the last guerrilla front organized by the communist-led New People's Army (NPA) some two years ago.

A communist rebel front covers some 200 barangays or villages.

Since five or more years ago, armed groups have proliferated in northern Negros. These groups established independent support networks and crude political infrastructures.

There were at one time 15 armed "independent" groups contending for territory and power among themselves.

The most widely known was an armed band led by a renegade PC [Philippine constabulary] soldier, a Sgt Alberto Indac, who became a small legend when he led a raid against the 334th PC company headquarters, carting away a truckload of high-powered firearms.

Indac was later killed in a military ambush. A spirited struggle for power continued among the armed groups left.

Other well-known armed group leaders were the Lausa brothers, former army veterans of the Mindanao campaigns.

The Lausa brothers had a short reign, with a new leader emerging in the group, namely, Nelson Merjamin, who now commands a force of 100 to 200 heavily-armed men in the hinterland areas of the towns of Toboso, Calatrava and San Carlos City.

The Merjamin group is suspected to be responsible for the kidnappings for ransom of wealthy land lords and merchants.

The group's purchase of high-powered firearms was facilitated by a military intelligence agent based in San Carlos, an NPA commander interviewed last August said.

This was the first indication that the armed group was not really independent but had military connections.

Another NPA commander assigned to the northern Negros area said the Merjamin group was blocking NPA expansion into San Carlos City, Calatrava and Toboso.

Two weeks before President Aquino's 16 October trip to Negros, military officials headed by Capt Leocadio Santiago of the 334th Constabulary Company, met with Merjamin himself.

A firefight had occurred between Merjamin's group and that of one Rufino Eneterrolizo, who had surrendered to fallen warlord Armando Gustilo last year.

Eneterrolizo, was said to have been integrated into the Civilian Home Defense Forces and later had close links with Gustilo.

During the firefight, several of Eneterrolizo's men were killed or wounded, forcing Carbilledo and Eneterrolizo to seek the assistance of the military.

It was then that Constabulary Capt Santiago and Lt Melegildo Sanogal trekked to Bato Village to mediate between the armed groups.

Both groups, apparently upon the prodding of the military, announced afterwards that they had forged an agreement to unite and prevent the "red army" from entering their areas.

It would seem indeed that the many armed groups in the area have links with the military and are fighting a "proxy war" against the NPA.

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CSO: 4200/151

PHILIPPINES

REPORTAGE ON NPA-MILITARY ENCOUNTERS

8 NPA Suspects Killed in Davao

HK201255 Manila MANILA BULLETIN in English 20 Nov 86 p 12

[Article by Romy Chan]

[Text] Davao City--Eight armed men believed to be New People's Army rebels were killed in a clash with elements of the Army Scout Rangers in Eden, Bayabas, Toril, this city, yesterday.

Maj Franco Calida, Davao Metro discom [Metropolitan district command] commander, said about 30 armed men had earlier raided the plantation of businessman Jesus Ayala in Eden, disarming the security guards and holding hostage a certain Redigan, the senior supervisor of the Ayala farm.

The rebels made off with one Garand rifle, one M-16 armalite rifle, and 2 shotguns. The Scout Rangers encountered the rebels on their way to Eden, Bayabas. The rebels had the hostage with them.

The identities of the fatalities were not immediately available. Calida said the fighting was still going on.

In another report, three NPA guerrillas were killed in an encounter with PC [Philippines Constabulary] soldiers in Dumoy, Toril, Monday noon. The slain rebels were identified as Reynaldo Albano, Arthur Farase, and one Joseph Ramos.

The armed men engaged a PC team led by Lt Wikheim Barlis in a five-minute gunbattle. One of the slain rebels lobbed a grenade at the pursuing soldiers but no one was hurt in the explosion.

12 Killed in Laguna, Cotabato

HK191540 Manila THE MANILA TIMES in English 19 Nov 86 pp 1, 6

[Text] Twelve persons, 10 of them suspected rebels, were killed and two others were wounded while a suspected New People's Army (NPA) member was captured in two separate clashes between troops and rebels in Laguna and South Cotabato.

The Laguna constabulary command said in a report to Camp Crane yesterday a policeman and a fireman were killed while another lawman was wounded last November 16 when 40 heavily armed men believed to be NPA rebels ambushed them in Barangay Santo Domingo, Luisiana, Laguna.

The report identified those slain as Pat Maria Teope and Fireman Cesar Piras. Wounded was Pfc William Solomon. All victims formed part of a team that went on patrol of a suspected NPA lair early that day. The report said the ambushers immediately escaped after taking two high-powered rifles and a revolver from their victims.

A belated report to Camp Crane also said 19 suspected rebels were killed, one was wounded while another was captured after an encounter with troops in Sitio Matyo, Barangay Malanday, Malimong in South Cotabato last 8 November.

The report from the South Cotabato constabulary command to Camp Crane did not identify the fatalities. The captured rebel, however, was identified as Eliseo Secop, while the wounded civilian who was caught in the crossfire was Abelardo Navalon.

The report said the troops launched the attack at around 1 a.m. that day, surprising the resting rebels camped in the sitio. It added that the troops suffered two casualties. But they recovered only one home-made shotgun from the slain rebels. The report added that Secop, 23, and resident of Sitio Matyo, is now undergoing tactical interrogation.

#### Nueva Ecija NPA Victims' Cases

HK180651 Manila PHILIPPINE DAILY INQUIRER in English 16 Dec 86 p 15

[Article by A.S. Roque]

[Text] Cabanatuan City--Military authorities in Nueva Ecija agreed to recover the remains of more persons reportedly executed by the NPA in western Nueva Ecija as they continue to question a captured rebel and 22 other persons.

The local PC [Philippine Constabulary] has recently dug out the remains of a barangay captain and an unidentified man reportedly kidnapped and executed by the NPA. Recovered were the bodies of Diosdado de La Cruz, barangay captain of San Agustin, Guimba, Nueva Ecija and that of a man reportedly from Victoria, Tarlac. Dela Cruz was kidnapped last 5 September. His remains were found in a shallow grave in Barangay Bignay Barrio, Calamba.

The unidentified man, about 26, was reportedly executed last July "for forcibly taking away a tricycle from someone." His body was dug out in barangay Partido, Guimba.

The location of the graves was made following the arrest recently of Maximo Villa, chairman of the NPA organizing committee in western Nueva Ecija. He was arrested in Meycauayan, Bulacan through the aid of one of his sons who was convinced by the military to reveal the whereabouts of his father.

Subsequently, 22 persons from two barangays in Guimba were invited by the PC for questioning. During the questioning, the graves of the two victims of NPA liquidation were pinpointed. Military sources here said they have been receiving many reports of missing persons the last few years.

#### 2 Patrolmen Killed in Laguna

HK181421 Manila MANILA BULLETIN in English 18 Nov 86 p 14

[Article by Louie Manipol]

[Text] Sta. Cruz, Laguna--Two patrolmen were killed, while another was wounded during an encounter between a police patrol of Luisiana town and 40 heavily armed men in barangay Sto. Domingo yesterday afternoon, according to a police report received here.

Killed were patrolmen Mario Teope and Cesar Peras. Wounded was patrolman William Solomon. He was taken to a nearby hospital for treatment.

The armed men were believed to be members of the New People's Army.

#### Cebu NPA Sparrows, OICs Arrested

HK181321 Manila MANILA BULLETIN in English 18 Nov 86 pp 1, 14

[Article by Jose de Vera]

[Text] Gen Fidel V. Ramos, New Armed Forces chief of staff, announced yesterday the busting of a New People's Army "sparrow unit" in Cebu following the arrest of nine alleged leaders and the filing of charges against them and six others, including two lady town officers-in-charge.

Ramos' announcement was based on a report by Brig Gen Romeo R. Zulueta, chief of the Criminal Investigation Service (CIS). Zulueta's report identified the nine suspects as:

Arturo Ravelo, alias "Dodo," alleged NPA overall commander based in Talisay, Cebu, and alleged mastermind and participant in several killings; Marianito Ventura, Bayan chairman in Talisay, who reportedly confirmed that most of the killings were ordered by Ravelo;

Rodrigo Cabanero, alias "Chito," alleged hit man; Marcelo Peras, a courier; Jose Bacho, local CPP-NPA [Communist Party of Philippines--New People's Army] finance officer; Jose Labita, alias "Baby Otik;" Manny Labrada, alias "Rudy Abasolo," alias "William;" and Gregorio Forton.



All nine, according to Zulueta's report, have been charged before provincial Fiscal Manuel Potot. They are under detention, the CIS chief said.

The report said that Ravelo and three other "sparrows" still at large, were charged with the murder of Wilfredo Cinco and Uldarico Olores. Ravelo's alleged co-accused in this case included Cristopher Aris, alias "Commander Roldan;" Rafael Englatera, alias "Ben;" and a certain alias "Janet."

Zulueta said the group of Ravelo and a certain "alias Rufo" and alias "Bong" who are both at large were charged with the killing of patrolman Manuel "Bong" Rafols.

Also charged before Fiscal Potot, the Zulueta report said, were Talisay (Cebu) officer-in-charge [OIC] Delia Tiu; Pinamungahan (Cebu) OIC Estrella Yap-ha; lawyer Vicente Balbuena of Lapu-Lapu City; Zenaida Uy and Paul Rodriguez, both of Cebu City, for the killings of Marcelina Lura, alias "Darling," John Salem, Floriano Caparida alias "Flory Abellanos," and PC Maj Peddy Noval.

The investigation of the charges against the two lady OIC's Tiu and Yap-ha, Balbuena, Uy, and Rodriguez was reported held in abeyance pending the assignment of a special prosecutor. Fiscal Potot requested the assignment of a special prosecutor, Zulueta said.

Meanwhile, combined operatives of PC-INP [Philippine Constabulary-Integrated National Police] Region 7, the Regional Security Unit (RSU), and the CIS District 7 are looking into 18 other killings which are also being attributed to the group.

Investigators handling the case informed Zulueta that the other suspects are expected to fall soon, saying that follow-up operations have been intensified, the CIS chief told Ramos.

#### 5 NPA, 1 CHDF Killed in Quezon

HK181423 Manila MANILA BULLETIN in English 18 Nov 86 p 14

[Article by O. Masaganda]

[Text] Sariaya, Quezon--Five suspected members of the New People's Army (NPA) and a member of the Civilian Home Defense Force (CHDF) were killed in barangay Janagdong, this town last Sunday.

Brig Gen Orlando Antonio, Reconn IV commander, in a report to Maj Gen Renato de Villa, PC [Philippine Constabulary] chief and INP [Integrated National Police] director-general, said that a member of the Quezon CHDF identified as Simplicio de la Pena was abducted last Friday by a group of about 30 NPA rebels operating in Mt Banahaw.



General Antonio said that De La Pena was brought to barangay Janagdong and was about to be liquidated when he was able to free himself. He grabbed the armalite rifle of one of the guards and fired at the rebels around him, killing five of them.

Col Romeo Odi, Quezon PC-INP commander and Lt Teodorico Ebarola and Lt C. Iapulayan to Barangay Jangdong. Rosales found four dead bodies, including that of De La Pena.

According to the report, the bodies of the two other rebels were carried away by their comrades because the two were holding high positions in the NPA hierarchy.

The names of the two dead rebels were not known. The bodies were reportedly buried in an area near the slope of Mt Banahaw.

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CSO: 4200/152

PHILIPPINES

MINDANAO REBELS WANT CONTINUED TRUCE TALKS

HK191556 Manila PHILIPPINE DAILY INQUIRER in English 19 Nov 86 p 18

[Text] Malgo, Lanao del Norte--Rebel leaders in Southwestern Mindanao will continue holding dialogs with local civilian officials in an effort to restore a local ceasefire agreement shattered earlier this month when the armed forces and the NPA clashed in the province.

The rebels met mediamen in the wake of large-scale operations launched by RUC [Regional Unified Command] 12 starting 30 October allegedly against a Maranao band suspected behind the two ambushes in Tangcal, Maranao band suspected behind the two ambushes in Tangcal, Lanao del Norte, where several security guards and workers of an American owned logging company were killed

RUC 12 chief Brig Gen Hesus Hermosa and Col Raul Aquino 2/3 Brigade Commander charged the rebels of breaking the provincial truce by ambushing their patrol 30 October in Malidoc, Maliwanag, Maigo.

In Iligan City, Brig Gen Hermosa vowed 7 November to escalate the war, rejecting the provincial truce Gov Abalos forged with the NDF's front 17 on 24 October. He said he only recognizes the ceasefire nationally agreed upon.

Front 17 is the NDF's operational area covering Lanao del Norte.

Front 17 leaders blamed the military for the breakdown of the truce, branding Hermosa a "little Enrile." The military incursion in Barangay Malidoc was a "deliberately executed plan of attack against the NPA," they said.

Malidoc, according to them is publicly known as their stronghold.

Stipulated in the dialogs is a stop to all NPA attacks on all military installations.

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CSO: 4200/151

PHILIPPINES

TATAD CAUTIONS AGAINST LEFTIST OPPORTUNISM

HK181107 Quezon City BUSINESS DAY in English 18 Nov 86 p 4

["Here and Now" column by Francisco S. Tatad: "Our Real Difference"]

[Text] The zeal with which the president has pledged to go after the killers of the murdered KMU [Kilusang Mayo Uno--1 May Movement] leader Rolando Olalia strikes a positive chord in the man in the street. I hope it is appreciated by the left. Now a Japanese executive has been kidnapped, and demands the same resolve from the president. Tomorrow another victim will exact the same promise from the president. This needs a lot of energy, and fortunately, she is young enough for it.

But some have dared to suggest that the outrage she has shown in Olalia's murder was somehow lacking in the earlier killing of former Fiscal Lota, a pro-Marcos loyalist, and of Col Baquiran, a member of her armed forces, whose body was carved and mutilated. In other words, not a few have said that the president's resolve to use all the powers of her office in going after certain criminals is conditioned by partisanship. This is not easy to repeat. But it is increasingly being repeated in public, and she has to answer it.

There is another point. While the president has every right and reason to be personally and directly concerned about every breach of peace, it presents a much better picture if the police were the more concerned about police cases. This is not to say that no individual cases should go up to the president. But it would be more reassuring if they were handled professionally as they happen, without waiting for orders from the president. As every citizen is entitled to equal protection before the laws, it ought to be superfluous for the president to tell the police how to go about their business.

In addition to the fact that the president cannot afford to get bogged down in any single case without affecting her ability to deal with all the other cases, on the level of policy, she faces other equally, if not more, serious problems, of which the peace and order problem is but an offshoot or a part. She simply has no time to be doing what falls within the competence of competent police officers.

In a jungle without rules, where so many crimes go unpunished, it should be some kind of achievement for the government to be able to solve a sensational case. But given the enormity of the crisis confronting the nation, the

revolutionary government will be judged not on the basis of how it solves a murder but how it deals with much larger and more fundamental national questions.

The very largest concerns our survival--our economic, political, social, physical survival. Assuming we survive physically and economically, shall we survive as one nation with our territorial integrity intact and unimpaired? Shall we retain our authentic social and political values without first bathing in rivers of blood, or shall we lose them in the large whirlpool of false political pluralistic ideas?

Certain sensational situations and occurrences tend to obscure, and distract us from, the real issues that form the core of our real struggle. But they fail to distract the enemies of the state who are determined either to dismember the territory or to recast the social system in the image of some Marxist god. We cannot drop our guard.

In the present instance, our outrage at the crime and our sympathy put us in the same room with the left and tend to lower our defenses against the naked thrust of those who would like to use this tragedy to advance their politics and ideology of hate at society's expense. Nob lesse oblige. We must denounce every murder and take the side of its victim whatever his creed. But at the same time we must always distinguish between the victim and the ideas which the most radicalized among his mourners represent.

A dangerous proposition has been unleashed in our midst which says that communism is not a danger to the society, or that at least the average Filipino does not think it is. You can accept that statement--if you are, or want to become, a communist. But you shouldn't if you are, and want to remain, a non-communist living in a society that is non-communist under a similarly non-communist government.

And yet how many non-communist ministers of the Cabinet and of the gospel have said, and are saying, that there's nothing wrong with communists, provided they are also Filipinos? In some schools, our children are taught the same thing behind their parents' backs, and they come home to spread the poison among the more innocent. It's like saying venereal disease--perhaps AIDS--is all right, provided it is transmitted by a compatriot. Well, the least one can say is, it isn't.

True, everyone is a brother in whom we see our own image. To everyone we remain bound in charity, although they may no longer share our faith or hope. If one is an armed communist, he might shoot. We may or may not meet him at his own terms. But we must reject his doctrine of violent class struggle before it spreads. This is the fundamental issue which we cannot be fuzzy about, even as together we denounce every murder and pray for justice and peace.

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CSO: 4200/151

## HYDROPOWER

### GROUNDWORK BEING LAID FOR HUGE JINSHA JIANG PROJECT

HK121431 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1409 GMT 10 Nov 86

[Text] Chengdu, 10 Nov (ZHONGGUO XINWEN SHE)--China will build a large hydroelectric power station with an installed capacity ranging from 3.6 million kilowatts to 4 million kilowatts at Xiangjia dam in the lower reaches of the Jinsha Jiang. Preparations for the initial stage of the construction have begun.

Jinsha Jiang, the mainstream on the upper reaches of Chang Jiang, ranges from Qinghai's Yushu to Sichuan's Yibin and has an overall length of over 2,300 km. The Jinsha Jiang is one of the Chinese rivers that are most abundant in water resources and that have the greatest exploitable potential.

According to surveys made over a number of years in the past, the lower reaches of Jinsha Jiang have an average flow capacity of over 4,400 cubic meters per second; the volume of water in the lower reaches of Jinsha Jiang is relatively stable; and there are many high mountains and narrow valleys on the two banks of the river, thus constituting an ideal site for building a large hydroelectric power station.

After the completion of this large hydroelectric power facility, whose installed capacity will exceed Gezhouba's by 900,000 kilowatts to 1.3 million kilowatts, the station not only will be able to satisfy the electric power consumption needs of Sichuan Province but will also be able to transmit its electricity to central and east China.

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CSO: 4013/15

## HYDROPOWER

### BRIEFS

ANOTHER GEZHOUBA UNIT OPERATIONAL--Hankou, 29 Sep (XINHUA)--A new 125,000-kilowatt power generator went on line Saturday at the Gezhouba Hydroelectric Dam on the [Chang Jiang] in Hubei Province, energy officials said today. The unit is the third to be added this year to the dam's Dajiang Power Station, which now has a generating capacity of 375,000 kilowatts. Overall, the Gezhouba Hydroelectric Engineering complex leads the country in power plant expansion, the officials said. It has built ten generating units since its first in 1981 which so far have produced more than 30 billion kilowatt-hours. [Text] [Beijing XINHUA in English 0703 GMT 29 Sep 86 DW] /6667

1987 WILL BE RECORD YEAR--Beijing, 25 Oct (XINHUA)--Hydropower generating units with a combined capacity of 1.9 million kW will go into operation across China in 1987, more than in any previous year since new China was founded in 1949. The Gezhouba Hydroelectric Power Station on the [Chang Jiang] will install five units with a total capacity of 825,000 kW and the Longyang Gorge Station on the [Huang he] will have two units with a combined capacity of 640,000 kW. [Text] [Beijing XINHUA in English 1457 GMT 25 Oct 86] /9624

GUANGDONG SMALL-SCALE HYDROPOWER--According to the provincial conference on irrigation and hydroelectricity generation, held in Zhongshan City, the province scored great achievements in building small hydroelectric power stations. The province now has more than 14,000 small stations with an annual power generation output of 4.15 million kWh, accounting for 48 percent of the province's hydropower output. Connecting with the large power networks, these stations supply power to 98 percent of the province's townships, 86 percent of the province's peasant households. The coverage of the power network ranks top in China. During the past 5 years, the province built more small hydroelectric power stations with a total installed capacity of over 500,000 kilowatts. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 05400 GMT 23 Sep 86 HK] /7338

CS0: 4013/3

## THERMAL POWER

### TWENTY PIT-MOUTH PLANTS UNDER CONSTRUCTION

OW291003 Beijing XINHUA in English 0910 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA)--China is continuing to pursue its new strategy for coal-fired power plants--building them next to coal mines.

"It's cheaper to move electricity than to move coal, and it provides a handy way to use low quality coal," an official from the coal ministry said today, explaining the benefits of the strategy.

In line with the plan, the country has built 20 major coal-fired power plants with a total generating capacity of 10 million kilowatts adjacent to mines, and 20 more are under construction, the official said.

If built far from a mine site, he said, six of the larger plants alone would have required 600,000 railroad cars to meet their total annual needs of 30 million tons of coal.

Plants near coal mines are being built in Inner Mongolia as well as in Anhui, Guizhou, Henan, Shaanxi, Shandong, and Shanxi provinces, according to the official.

China has verified coal reserves of 785 billion tons, more than any country in the world aside from the Soviet Union and the United States.

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CSO: 4010/2

## THERMAL POWER

### TWENTY-FIVE COASTAL POWER PLANTS PLANNED

Guangdong GUANGZHOU RIBAO in Chinese 2 Oct 86 p 1

[Article: "Twenty-Five Power Plants To Be Built in 'Seventh Five-Year Plan'; Total Installed Capacity To Reach 14.4 Million Kilowatts"]

[Text] During the Seventh Five-Year Plan, China will build 25 power plants along the coast in open cities and special economic zones. These plants will have a total installed capacity of 14.4 million kilowatts, or one-fourth of all installed capacity planned for the Seventh Five-Year Plan.

The open coastal cities and special economic zones along the coast are rather well developed and will play a major role in the country's economic take-off in the 1990's. Today, however, these open cities and special economic zones have an installed capacity of only 7.9 million kilowatts and the power supply situation is very strained. In order to improve this situation and enhance the economic climate, the state is making use of both local and foreign investment to accelerate power construction in these areas.

New construction or expansion projects are in Dalian, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Fuzhou, Guangzhou, and Wenzhou. Among them are the Dalian power plant, the Jixian power plant, the Huangdao power plant, the Xinhai power plant, the Nantong power plant, the Shanghai Shidongkou power plant, the Zhejiang Beilugang power plant, the Fuzhou power plant and the Shatoujiao power plant.

CSO: 4013/20-P



## Thermal Power

### FIRST-PHASE ZOUXIAN POWER PLANT PROJECT JOINS GRID

SK250347 Jinnan Shandong Provincial Service in Mandarin 2300 GMT 24 Oct 86

[Excerpts] On the afternoon of 24 October, the second 300,000-kW turbo-generator of the Zouxian power plant, which was incorporated into the 1986 national plan, began to feed power into the grid after successfully passing a 72-hour test operation. The first phase of the Zouxian power plant project was completed 8 months ahead of schedule, and was appraised as a project of first-class quality and built with the highest efficiency in the history of China's power construction.

The first-phase project of the Zouxian power plant was undertaken and installed by the First Shandong Power Industry Construction Company. During the construction period, this project attracted the attention of the Party Central Committee, the State Council, the Shandong Provincial Party Committee and the Shandong Provincial People's Government. Thanks to the great efforts of the workers and staff members of the First Shandong Power Industrial Construction Company, the first-phase project of the Zouxian Power Plant was built with first-class quality and the highest efficiency in the country. With great effort the workers and staff members of the company performed a miracle for the country in building the first generating unit, and were thus named as a nationally advanced collective by the All-China Federation of Trade Unions. The second generating unit was completed in 4 months less time than that required for the first generating unit. Only 7 months were used from the installation of boilers to the beginning of operation. All the technical targets of the second generating unit have reached the national good level.

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CSO: 4013/13

## THERMAL POWER

### WORK ON 2400MW SHANG'AN PLANT NOW UNDER WAY

OWO41830 Beijing XINHUA in English 1648 GMT 4 Oct 86

[Text] Shijiazhuang, 4 Oct (XINHUA)--Construction began today on a coal-fired power plant designed to eventually have a generating capacity of 2.4 million kW in Jiangxing County, Hebei Province.

The Shang'an power plant, a national key construction project for the Seventh Five-Year Plan (1986-1990), will be built in three stages, according to a project official.

The first stage, to be completed by 1988, calls for installing two 350,000-kW generating units provided by a foreign business group consisting of the U.S. General Electric, B and W of Canada and Ansaldo of Italy.

The group also offers technical services and designing, and supplies construction materials, the official said.

The plant, the first major power plant in Hebei using foreign equipment and capital, is 70 kilometers to the east of Yangquan, a major coal mining city in Shanxi Province.

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CSO: 4010/6

## THERMAL POWER

### PLANTS BEING BUILT NEAR GUANGZHOU

OW060842 Beijing XINHUA in English 0822 CMT 6 Oct 86

[Text] Guangzhou, 6 Oct (XINHUA)--Two thermal power plants are being built on the outskirts of Guangzhou, capital of Guangdong Province, to ease its severe electricity shortage.

With projected generating capacities of 1.2 million kilowatts and 700,000 kilowatts, the two plants are located on the Humen, a major battle field during the Opium War (Britain's invasion of China, 1839-1842), an official in charge of the project's construction said here today.

The plants are listed as state key projects to be built in the 1986-90 planning period.

Phase-one construction of one plant involves installing three 200,000-kilowatt generating units within a year with overall completion expected by 1993.

The second plant, to be powered by two imported generating units, is a joint project of the Shenzhen Special Economic Zone and Hopewell Power (China) Limited of Hong Kong. Total investment for the project is four billion Hong Kong dollars (513 million U.S. dollars).

One unit, with a generating capacity of 350,000 kilowatts, will go into operation next June and the other in October of the same year.

/6662

CSO: 4010/6

## THERMAL POWER

### SHANGHAI TO GET 1200 MW PLANT

OW241142 Beijing XINHUA in English 1119 GMT 24 Aug 86

[Text] Shanghai, 24 Aug (XINHUA)--China will import an electric power plant with a 1.2 million kilowatt capacity for Shanghai in order to fight an expected shortage of power, a local official said today.

To be built in Shidongkou, the plant will supply more than 7 billion kilowatt-hours of electricity a year to China's leading industrial city after 1991, and it is the largest imported power project approved by the State Council, he said.

By then, Shidongkou will be one of China's largest power centers with 2.4 million kilowatts in generator capacity. The plant's two generating units, each with a capacity of 600,000 kilowatts, will also be among China's largest, said the official.

Shanghai is estimated to suffer a shortage of a total of 9 billion kilowatt-hours in the next 3 years.

The project is a joint venture between the city and the Huaneng International Power Development Corporation.

/8309

CSO: 4010/1

## THERMAL POWER

### JIANGSU BEGINS WORK ON 700 MW NANTONG PLANT

OW090139 Beijing XINHUA in English 1232 GMT 8 Oct 86

[Text] Nanjing, 8 October (XINHUA)--Jiangsu Province in east China today began construction of a power plant with a generating capacity of 700,000 kW in Nantong City, the province's leading [Chang Jiang] port.

The plant is one of the country's key energy construction projects during the Seventh 5-Year Plan (1986-1990).

It will involve an investment of 1.25 billion yuan (337 million U.S. dollars) and is expected to be put into operation by 1989. Then, the plant will provide more than 5 billion kWh of electricity a year, a project official told XINHUA today.

Foreign capital will also be used for the construction of the plant, the official said.

/12232

CSO: 4010/3

## THERMAL POWER

### HARBIN BOILER WORKS TURNS OUT BOILER FOR 600MW GENERATOR

Beijing JINGJI RIBAO in Chinese 4 Oct 86 p 2

[Text] Manufactured with imported technology, China's first boiler for a 600,000-kilowatt steam turbine was completed on 27 September at the Harbin Boiler Works. This is the largest jumbo power generator boiler ever manufactured in China and has the largest volume and highest parameters; its development shows that China's boiler design and manufacturing standards have reached world levels.

The research and development of a boiler for a 600,000-kilowatt power plant was listed among 12 priority items of technical equipment by the State Council for the fifth and sixth 5-year plans. The boiler's net weight is 1,500 tons and it stands 87 meters high. The entire boiler assembly consists of 217 components, with nine components being imported from abroad and the remaining 208 being manufactured in China. According to some sources, this 600-megawatt unit costs 20 percent less and takes some 7000 fewer hours a year to operate than three 300-megawatt units; one boiler for a 600MW facility can save 200,000 tons of standard coal a year compared to three boilers for 300MW facilities.

This boiler has already been transported by land to the Pingxu power plant in Anhui Province where it will be installed.

/7358

CSO: 4013/9

## THERMAL POWER

### BRIEFS

**WORK ON FUZHOU PLANT BEGINS**--Fuzhou, 1 Sep (XINHUA)--Construction began today on the Fuzhou coal-fired power plant, one of the main construction projects of China's Seventh Five-Year Plan (1986-1990). The plant, expected to have a generating capacity of 1.4 million kilowatts when it begins operating in 1989, is located where Fujian Province's main river, the Minjiang, meets the Taiwan Straits. The first phase of the project includes installation of two Japanese generators with a combined capacity of 700,000 kilowatts and 220,000-volt transmission facilities. Provincial officials said today the plant will help ease the power shortage in greater Fuzhou, Fujian's capital city. The project is jointly funded by the Fujian Government and the Huaneng International Power Development Company, a joint venture between Fujian and a Hong Kong firm. [Text] [Beijing XINHUA in English 1404 GMT 1 Sep 86 OW] /6662

**JIANBI UPDATE**--Beijing, 2 Sep (XINHUA)--The Jianbi Power Plant in East China's Jiangsu Province has put another 300,000-kilowatt generating unit into operation, raising its total generating capacity to 1.325 million kilowatts. The unit, one of the major construction projects of the Seventh Five-Year Plan (1986-1990), can generate 5 million kilowatt-hours of electricity a day. [Text] [Beijing XINHUA in English 1415 GMT 2 Sep 86 OW] /6662

**200MW XINGTAI GENERATOR**--Beijing, 27 Sep (XINHUA)--A 200,000-kilowatt generating unit has been put into operation at the Xingtai Power Plant, Hebei Province, bringing the plant's total generating capacity to 490,000 kilowatts. [Text] [Beijing XINHUA in English 1614 GMT 27 Sep 86 OW] /9738

**600,000-KILOWATT STEAM TURBINE**--This year, the Harbin Steam Turbine Machinery Plant has produced a 600,000-kilowatt steam turbine for large-scale electric power plants. [This success] demonstrates that China's steam turbine manufacturing capability is approaching that of advanced world standards. [Summary] [Beijing RENMIN RIBAO (OVERSEAS EDITION) in Chinese 26 Sep 86 p 3] /7358

**DAQING GAS TURBINE**--The first set of thermoelectricity-and-gas turbine power generating unit in Daqing oil field's Laer thermal power station, the first natural gas power station completely imported from abroad, has been completed and has been fed into the power grid after smoothly passing its assessment of trial operation. The Laer thermal power station has two gas turbine power generating units. The facility uses natural gas to generate power. The entire station was imported from the United States. The total installed capacity is 85,000 kilowatts and the total investment was 155 million yuan. [Excerpt] [Harbin HEILONGJIANG RIBAO in Chinese 19 Oct 86 p 1] /9604



QINLING PLANT COMPLETED--Xi'an, 2 Nov (XINHUA)--The construction of northwest China's largest thermal power plant has been completed as the last generating unit went into operation 2 days ago. The Qinling thermal power plant in Shaanxi Province has six generating units with a combined capacity of 1,050,000 kilowatts and generates 6 billion kilowatt-hours a year, accounting for one-fifth of the total generated energy in northwest China. The plant has generated a total of 20.2 billion kilowatt-hours since 1972 when its first generating unit was commissioned. [Text] [Beijing XINHUA in English 0656 GMT 2 Nov 86] /9604

CSO: 4010/14

## COAL

### NATIONAL COAL CONFERENCE URGES MORE EXPORTS

OW281348 Beijing XINHUA in English 1217 GMT 28 Jun 86

[Text] Beijing, 28 Jun (XINHUA)--China exported 5 million tons of coal in the first half of this year, an increase of 54 percent over the same period last year, it was reported today.

A national conference on coal imports and exports, which ended here today, was told that China should meet its 10-million-ton export target this year.

The country has set an export target of 100 million tons of coal for the Seventh Five-Year Plan, which began this year, almost the total amount exported between 1949 and 1984.

During the Sixth Five-Year Plan, China exported 34.1 million tons--an average of 6.82 million tons a year.

Last year, the country dug out more than 854 million tons of coal, making it the second-largest producer in the world.

Vice-minister of coal industry Hu Fuguo told XINHUA that the growth of coal production over the past few years had eased the domestic shortage, thus paving the way for more export trade.

He said a number of mines containing quality coal would soon be designated as producers for export, and special funds would be allocated for expanding coal-dressing plants to dehydrate coal and reduce coal dust.

Hu added that his ministry would continue its close cooperation with Chinese railways, road transport and other departments ensure coal for export arriving on time.

/8918

CSO: 4010/63

COAL

ANHUI MINES TO PROVIDE MORE DRESSED COAL.

OW220844 Beijing XINHUA in English 0725 GMT 22 Sep 86

[Excerpt] Hefei, 22 Sep (XINHUA)--Coal mines in Anhui Province, one of the most important coal production centers in China, will concentrate on producing higher quality coal in the next several years, provincial coal officials said today.

The mining administrators in the province have decided to build at least five new coal washing plants in the next 5 years, bringing the total to 12.

The best quality coal has been washed and sorted from stone, which does not burn.

But due to the lack of coal washing plants, most of the coal from Anhui is sold without being washed. This causes transportation problems and makes ignition difficult. Unwashed coal also means fewer profits. Washed coal sells for twice as much as unwashed coal.

By 1990, 80 percent of the 35 million tons of coal produced in Anhui will be washed before being shipped. These coal mines turned out 24 million tons of coal in 1985; only 30 percent was washed in their plants.

And by 1990, some of the washed coal will supply the Baoshan Steel Works in Shanghai, taking the place of imported coal.

China will also export the higher quality washed coal.

/8309

CSO: 4010/1

## COAL

### JILIN GOVERNOR COMMENTS ON GROWTH OF COAL INDUSTRY

SK020746 Shenyang DONGREI JINGJI BAO in Chinese 6 Jun 86 Special Edition p 1

[Article by Gao Dezhan, governor of Jilin Province: "We Hope the Coal Industry of Northeast China Achieves Prosperous Development"]

[Excerpts] Since its founding 3 years ago, the Inter-Provincial Northeast China and Nei Monggol Coal Industrial Joint Corporation, under the leadership of the Ministry of Coal Industry, has earnestly implemented the principles issued by the CPC Central Committee and the State Council with regard to developing energy resources and scored large increases in coal output. The 1985 output of raw coal reached more than 100 million tons, a gratifying figure that merits our congratulations.

The northeast area is one of the important industrial bases in the country and has a long history of developing the coal industry. However, coal production in this area still falls short of meeting the needs of the growing economy because of the existing imbalance in the distribution of coal deposits, the levels of coal extracting technology, and between supply and demand. Since its founding, the coal industrial joint corporation has brought into play the advantage of conducting overall management of the coal industry by making unified plans and conducting unified development and management over the collieries in the three northeast provinces and the eastern areas of the Nei Monggol Autonomous Region. In implementing overall management, the joint corporation may carry out transprovincial operations in prospecting for mines; make transprovincial arrangements for renewing the outdated mining areas; conduct transprovincial readjustment among labor forces, financial sources, and material sources; and carry out transprovincial exchanges among the advanced technologies. All of these have played a positive role in promoting the development of coal sources in the zone, relieving the strained situation in energy resources in the northeast area, and making the economy prosperous in the minority nationality areas.

Since its founding, the coal industrial joint corporation has upgraded the standards of equipment and technology among the collieries in Jilin Province whose products are covered by the state unified plan, dealt with the problem encountered by the Liaoyuan Mining Administrative Bureau in renewing its outdated mining areas, and has accelerated the pace of building new coal

mining areas in Hunchun County. Meanwhile, with the assistance of the coal industrial joint corporation, our province has achieved more rapid growth in local coal industries. In 1985 Jilin turned out 8.63 million tons of raw coal, a 1.455-million ton, or 20 percent, increase over the 1983 figure. The proportion of coal output scored by the local collieries in the province's total coal output increased from 29.1 percent in 1980 to 37.3 percent in 1985. These local collieries have become an important component part of energy resource production in the province. They have played an important role in ensuring the steady, stable, and harmonious development of the national economy in the province. For this, we extend hearty appreciation to the broad masses of cadres, staff members, and workers on the coal industrial front.

Paying attention to developing energy resources and maintaining a stable increase in coal output are one of the province's important measures for developing the economy during the implementation period of the Seventh 5-Year Plan. During the period, our province has assigned local collieries the goal of producing 10 million tons of raw coal by the end of 1990 and to make an effort to produce 12 million tons. However, though the local collieries in the province have many favorable conditions for fulfilling the target mentioned above, and they still have many difficulties in this regard because of their poor foundations, backward technology, and shortage of funds and experts. We ardently hope that the coal industrial joint corporation will vigorously support the local collieries in the supply of material sources, technology, and experts in order to enable them to make progress as soon as possible.

/6662

CSO: 4013/8

PHILIPPINES

COLUMNIST ON TENSE LABOR SITUATION, ECONOMY

HK201201 Quezon City ANG PAHAYAGANG MALAYA in English 20 Nov 86 p 5

[Column by Jake Macasaet: "State of the Unions"]

[Text] There are very strong possibilities that the supply of chicken will be extremely scarce towards the holiday season which is hardly a month away. The scarcity and the corresponding increases in prices can result from crippling strikes that now plague the four major poultry producers: San Miguel Corp, Universal Robina, General Milling, and Republic Flour Mills. The production of Foremost Farms has also considerably gone down since the Presidential Commission on Good Government [PCGG].

These poultry companies account for an estimated 70-80 percent of total supply in the metropolitan area. The price of chickens is already about P32 per kilo. It was only about P28-29 three months ago. If the workers do not return to work soon, prices of poultry and eggs can easily increase by an estimated 25 percent by Christmas time and may continue going up until supply matches with demand. In the provinces of Laguna and Batangas contract growers of San Miguel are already getting jittery. The chickens are ready for harvest but San Miguel cannot pick them up because of the labour troubles at its dressing plant.

The Ministry of Labor and Employment has not taken any decisive steps in resolving the issues surrounding these strikes. Some return-to-work orders have been issued but a few of them have been defied. In other words, the Labor Ministry has not been able to effectively conciliate the differences between the unions and the owners of capital. Without meaning to pass judgment on who is right and who is wrong, both the unions and the owners of capital must realize that nobody gains in these prolonged differences. On the other hand, the poor consumers will inevitably pay for all these with higher prices at a time when the unemployment rate is abnormally high.

The alarming state of the unions is what now appears to be a pattern. First, the strikes or walkouts were concentrated on labor-intensive operations in the Valenzuela (Bulacan) area. Even before the strikes could cool off, the food-based lines like the poultry projects began to get hit. What observers see is this is what they perceive to be a well-thought out plan that does not exactly rebound to the benefits of the workers themselves, and the consumers of which they constitute the bigger part.

The most unfortunate incident that happened in relation to these strikes is the brutal slaying of the most militant labor leader of them all, the late Rolando "Ka Lando" Olalia. Without the benefit of having known the man, I am fairly certain that he would have realized that the present conflicts between the unions--some of which are his own KMUs [Kilusang Mayo Uno--1 May Movement]--and management would, in the long run, work against the interest of the masses for whom he gave his life. Olalia's death left a vacuum that unionism in this country will definitely find very difficult to fill.

The tense labor situation and the uncertain state of political affairs are effectively weighing down on the economy. The effects are very telling. Unemployment rate continues to rise. New local investments come in trickles. The foreign investments that we all expected as a result of the fall of Marcos has not come in the magnitudes that we have expected. The new leadership must be aware of all these, but it could not seem to get its act together.

Labor must get itself to understand that the owners of capital are looking for what they believe are ideal conditions under which they can make profits. The leadership and the politicians too, must come to grips with this reality. It is unfortunate that the Labor Ministry has not been able to strike a harmonious working relationship between labor and capital. The perception of the Labor Ministry that the present labor troubles are mere manifestations of the exercise of freedom lost to the workers in almost 14 years, is patently wrong.

What should alarm the Labor Ministry is the fact that many of the strikes being called are not related to economic demands. This is not saying, however, that labor can or should call a strike only on matters adversely affecting their pocketbooks. But what this suggests is that labor--considering its abundance--is not at all that unhappy over how the owners of capital pay them. And yet, strikes are called on the most sensitive areas of the economy like food production.

There is now a growing perception that the workers have been so politicized to the point that they might now be active participants in an ideological struggle. If this is indeed so, widespread fears that strikes will get worse before industrial peace could be attained gain more validity. This dilemma demands decisive action towards a health compromise--if that is still possible--by the president herself.

/9274

CSO: 4200/151



PHILIPPINES

**SPECIAL TERMS GRANTED INVESTORS OF TOURIST PROJECTS**

HK190021 Manila THE MANILA CHRONICLE in English 16 Nov 86 p 3

[Text] President Aquino has granted special concessions to foreigners investing at least \$50,000 in the country's tourist-promotion projects.

Executive Order No 63, which took effect 7 November, allows investors to remit earnings from their investments upon liquidation.

The order also allows the families of these investors to assume these privileges, in the investor's death.

These investments must be remitted to the Philippines in an acceptable foreign currency the order said.

It grants the investor along with his wife and minor children, the status of special investor residents.

To qualify, the investor should visit the country at least twice a year and stay in the country at least seven for each visit.

However, should an investor withdraw or transfer his investment, these special privileges will be revoked by the government.

/9274

CSO: 4200/151

THAILAND

MUSLIMS PROTEST DRESS RULES, ARMY RESPONDS

Bangkok MATICHON in Thai 8 Oct 86 pp 1, 16

[Article: "Muslims in the South Protest Government Prohibition of Muslim Dress in Government Work"]

[Text] Many Muslims in the three southern provinces gathered and planned to protest the order prohibiting civil servants, teachers, and students from wearing Muslim dress in lieu of their uniforms. The Administrative Center for the Southern Border Provinces sent a secret letter advising that the Muslim leaders in Bangkok be watched.

Mr Sarawut Siwanyot, secretary of the Muslim Youth Organization of Thailand, told MATICHON about the recent distribution of leaflets in the southern provinces demanding review of the order issued by the Pattani Provincial Office and signed by Mr Phan Chantaraban, former deputy provincial governor, telling Muslim female civil servants that the wearing of Muslim dress is against government regulations, and that the Muslim Youth Organization of Thailand cannot verify the leaflet story, but that it does know that some sort of order had been issued by the Administrative Center for the Southern Border Provinces which severely affect Muslim feelings.

Mr Sarawut also said that this is against the national equal rights policy. Muslim women covering their heads is a personal right and in keeping with Muslim religious teaching; if this issue is not resolved, it will become a big problem because it affects the Muslims quite a bit. Muslims are very strict about observing their religious teachings. Little things such as this which the government overlooks are, in fact, significant matters. It may be thought that dressing like this is conservative, but if female civil servants dress in short skirts probably nobody would say anything.

Mr Sarawut says that the problem must be handled quickly. The Muslim Youth Organization of Thailand will emphasize solving the problem step-by-step. Now there also are Muslim members of Parliament preparing to solve this problem. The Muslim Youth Organization of Thailand knows nothing concerning news that Muslims in Pattani Province and nearby provinces will protest. The Muslim Youth Organization of Thailand has a policy of not getting involved with politics at all.

Reports from Pattani Province to MATICHON note that the activists publishing the leaflets are prepared to organize protests in coordination with Muslims from Yala, Narathiwat, and Pattani Provinces.

Colonel Banchorn Chavalasin, 4th Army area spokesman, told MATICHON that he does not know the facts concerning the leaflets, but that in 1985 there was a similar case in which a female civil servant was prohibited by her superior from covering her face in the Muslim tradition while wearing the civil service uniform because there is a law clearly specifying what the civil service uniform consists of; the wearing of the uniform is universal and everyone must abide by the regulations; that woman tried to make this issue a cause celebre. This necessitated a transfer out of the area.

Colonel Banchorn said that the Muslims should not misunderstand because the civil service dress regulation must be obeyed by everyone. It is not that they are prohibited from dressing in accordance with their religion, but it is emphasized that if they are wearing the uniform, it has to be in accordance with the regulations. When they are not in uniform, they can dress in accordance with their religion. The 4th Army area and the Administrative Center for the Southern Border Provinces are coordinating in solving the Muslim problem in the south. They understand the rights of religious adherents and support their activities such as their going to Saudi Arabia on the "Haj" and their right to education.

A report from the Ministry of the Interior says that Mr Prakit Utamot, director of the Administrative Center for the Southern Border Provinces sent an order, dated 10 September, to the governor of Yala concerning the 5 August trip of the leaders of the Bang Au Muslim Organization in Bangkok, Shi'ites like those in Iran. They went to the three southern provinces to complain to the head of the Islamic faith in Thailand concerning the government units in Yala, Pattani, and Narathiwat which ordered female Muslim civil servants not to dress in accordance with their religious practices when working in or visiting government offices. The substance is as follows:

1. Yala Province. Government units do not allow Muslim civil servants to dress in keeping with their religion because it is not in accordance with regulations. Penalties may involve a halt to compensation and students may be failed on examinations.
2. Pattani Province. At the Prince of Songkhla University, Pattani campus, Muslim instructors and students are not allowed to dress in accordance with the Muslim religion because that is against university regulations.
3. Narathiwat Province. Female civil servants dressing in accordance with the Muslim religion are in violation of government regulations and rules of conduct. If they dress according to the Muslim religion, they cannot be civil servants.

The Administrative Center for the Southern Border Provinces reviewed all of this and agreed that dressing in accordance with the religion is stated in the

Koran, but it is against civil service and student dress regulations. If the students and civil servants in the four southern provinces, that is, Narathiwat, Pattani, Yala, and Satul dress in accordance with their religion; besides being against rules and regulations, it might cause political and social conflict in the nation which may foment unrest.

13,217/9599  
CSO: 4207/14

THAILAND

PRINCESS SIRINTHON TO GET DEGREE, CLASSMATES DESCRIBE PERFORMANCE

Bangkok MATICHON in Thai 25 Sep 86 pp 1, 2

[Article: "Princess Sirinthon to Receive Doctorate from Prasanmit"]

[Excerpt] Sri Nakharinwirot University, Prasanmit, tells MATICHON that the princess will graduate with a doctorate in education (educational development) in early October.

The princess began her studies in 1981. She has completed her dissertation on experimental teaching of Thai to sixth-grade students and is preparing for the 6 October oral examinations. She certainly is expected to pass, which means that she will complete the requirements and graduate. She will receive her doctoral degree on 15 December at the Sri Nakharinwirot, Prasanmit, auditorium along with her classmates and the bachelor's and master's degree graduates of the university.

"The princess was the last one to finish her dissertation; her classmates had finished earlier. The delay was caused by her heavy obligations, visits with the people, and other requirements which limited her time. Additionally, her dissertation required much effort, is long and thick, and is based on difficult experimental research." the source said that originally the princess would be the one to confer the degrees on the graduates, but since she will finish in October herself, the King will be the one presenting the degrees to all the graduates instead.

The source said that her 10 classmates feel fortunate to have studied with her because she did not hold herself aloof from them. She would call her older classmates by the proper honorific and make the greeting gesture to her instructors first when she saw them. Moreover, everyone admired her knowledge, especially in the classroom where she would always present her ideas based on her many experiences.

The source reported that the princess uses her education for the benefit of the nation, for example, using statistics in calculating the renovation of Temple of the Emerald Buddha. She drew on her knowledge and discussions with her classmates to establish a school for the deaf in the rose garden of the royal palace.

"Whether or not the princess will receive honors will depend on the results of the 6 October oral examinations. Usually, students who finish in this academic year will receive their degrees next year; in her case, the University Council will allow her to receive her degree this year as a special case," revealed the source.

The source said that during her education, the princess kept telling the university to treat her like other normal students.

13,217/9599

CSO: 4207/14

THAILAND

ROTATION OF PREM MILITARY AIDES DISCUSSED

Bangkok LAX THAI in Thai 2 Oct 86 pp 19-21

[Article: "Aides At Ban Si Sao: Change in Person and Change in System"]

[Text] The reassignment of high-ranking soldiers this year has resulted in significant changes in the direction taken by Ban Si Sao [prime minister's residence]. High-ranking officers have been placed in positions of responsibility revolving around the prime minister's daily life and work, there have been changes in the positions of "close aides," and changes among those who are loyal, and who have devoted their lives to the protection and safety of the prime minister. One can say that this year Gen Prem Tinsulanon's "family" will see some new faces; or if some old faces are still there, it will be those who were in the back row, and who have now moved up to the front row, closer to the person of the prime minister. Those who were in the front row will begin a new life now that they have been released from the duties at the residence, although its door will always be open to them. Their duties will cause them to return to that house mornings and evenings, so you will see their faces there every time "Pa" can not look out of the corner of his eye.

Old Group at "Si Sao" All Transferred

Those transferred from ban Si Sao are Maj Gen Prachong Saengbuakaew, attached to the office of the undersecretary of defense, who has been moved to the post of director of the Secretariat Department (slot for lieutenant general); Maj Gen Chao Kongphunsin, attached to the office of the undersecretary of defense, who has been transferred to the post of director of the Military Industrial Department (a slot for a lieutenant general). Both of these officers have been close to Gen Prem Tinsulanon since the latter was commander of the Cavalry Center, Saraburi Province (his rank at the time was major general). Particularly, Maj Gen Chao Kongphunsin was promoted to the level of a general as a close aide to the minister of defense when General Prem was appointed to the position. Both of these officers are considered to have been among the first close aides to General Prem going back to their cavalry unit days. And there was another senior officer, Lt Gen Attaya Phaewphanchon, who was in one of these groups. He is considered to be an aide of a "senior rank," who oversees the younger generations of close aides.



## Newcomers

Those who are in the line leading to Ban Si Sao come mostly from the office of the undersecretary of defense, this could be because there was a position as an officer attached to the office of the undersecretary of defense--where General Prem was minister of defense--whose duties sometimes were to "deliver or receive a folder" containing the defense minister's work. For example, Maj Gen Chao Kongphunsin, when he was a close aide to the minister of defense, would ride with General Prem to the prime minister's office, and then go alone to the Ministry of Defense with a "work folder." And Maj Gen Kasem Naphasawat, a new close aide, who succeeded Major General Chao, did the same thing, that is, he would leave Ban Si Sao with the prime minister and then go his separate way on to the Ministry of Defense. The person who would get off at the prime minister's office would be the close aide attached to the prime minister's office, namely, Maj Gen Mongkon Amphonphisit, who also holds the position of being an officer attached to the office of the undersecretary of defense. The positions of Major General Chao and Major General Kasem are still part of the Army even though they are close aides to the minister of defense because they still hold Army positions. This is the same with (Special) Col Suphon Hiransi, who is attached to the office of the undersecretary of defense. When he is made a close aide to the new minister of defense (Air Chief Marshal Phaniang Kantarat), he also holds another army post as officer attached to Army Headquarters. This is because it is held that the defense minister's close aide must be a member of the Army, not a member of the staff of the undersecretary of defense.

As from the first of this October, Maj Gen Prachong Saengbuakaew will be a lieutenant general, and his duties as the director of the Secretariat Department will keep him away from the Ban Si Sao, just as Maj Gen Chao Kongphunsin, who will become a lieutenant general and director of the Military Industrial Department. He, too, will be farther and farther away from "Pa." In the mornings, these officers might be able to drop by Ban Si Sao before they head on to their respective offices: the office of the director of the secretariat department in the hall of Defense Department for Maj Gen Prachong Saengbuakaew, and, for Major General Chao, to the Military Industrial Department at the Klakkal Intersection. But during the day or in the evenings they might not be able to drop by there every day. And when "Pa" is at "his hideaway" in Korat, or when he is on an official visit to the provinces, they would probably not be able to accompany him any longer. For the first time this year that these two cavalry officers will be kept apart from General Prem after a period of over a decade of being close to each other.

"Senior officers" who will be replacements at the house are those who used to be "junior officers." Examples are (Special) Col Amphon Chulanon, who has been named officer attached to the office of the undersecretary of defense (a slot for a major general); Col Thawat Ket-anhun, who has become a major general attached to the office of the undersecretary of defense; and (Special) Col Chao Phuakchaiphaew, who also has a new post as a major general attached to the Office of the Undersecretary of Defense. These new generals do not have the duty of delivering or receiving the folders of the Office of the Undersecretary of Defense and of the minister of defense. But they may have work to do in order to coordinate the work of the Office of the Undersecretary

of Defense and that of the prime minister. In any case, the "junior officers" of last year, who have stepped up to become the "senior officers" at Ban Si Sao of this year, will not be so far away from that house for so long so as to make the "owner" of the house lonely.

#### Surayuth Replacing "Mong"

After Major General Mongkon Amphonphisit left the post of a close aide attached to the Office of the Prime Minister and was released from all the duties of that Office to become the commander of the Ninth Infantry Division, Kanchanaburi Province, the person who will be "close" to Gen Prem Tinsulanon is (Special Col Surayuth Chulanon, commander of the First Special Combat Regiment, at Camp Vajiralongkorn, who is a parachutist at "Pawai," Lopburi Province, and who is from CRMA Class 12 (Class 1 of the Military Preparatory School) that has moved up to the rank of a general--as a major general--attached to the office of the undersecretary of defense. This is the same as when Major General Mongkon moved up to be a general in this position, having come from the post of commander of the 19th Infantry Regiment of the Ninth Infantry Division, Kanchanaburi Camp.

Maj Gen Mongkon was in this same position for two years and then returned to army ranks. And he is the commander of the 9th Infantry Division, where he had been a regimental commander. His return to the Army this year should make us want to keep an eye on (Special) Col Surayuth Chulanon, who, having moved up from the rank of a regimental commander to become a major general in the same manner and in the same position, should return to the Army and become a divisional commander also. But it is not known if he will be the commander of the Special Forces Division in the Special Warfare Force or a commander of another division. It will depend on the political and military situation at the time of his return to the Army, which we think will be in two years.

At Ban Si Sao, during the time in which Major General Mongkon was a close aide of the prime minister, he had to be responsible for the security of the prime minister as well, in addition to performing his duties as a close aide.

For the organization of forces to maintain the security at Ban Si Sao and to protect General Prem, the soldiers from the 21st Infantry Regiment, Queen's Guard, so-called the "Queen's Leopards," in her majesty's service, are used as primary forces. They have been serving in this capacity since the 1-3 April 1981 coup attempt. And later, parachutists from the Special Preemptive Attack Company of the First Special Combat Regiment, or "SPA Company," have been added, with the units working on the security and safety of General Prem setting up their base of operation at "Ban Phitsanulok," the prime minister's official residence. General Prem has not used this place as his residence at all. The security for General Prem lies entirely with these two units. Only a few soldiers from the Armed Forces Security Center are involved, and they only work together with the Special Branch police forces who maintain the security at the Government House, called "Government House Police." For the security of the prime minister at his residence or during his trips, that task lies entirely with the parachutists of the Special Preemptive Attack Company and the soldiers from the 21st Infantry Regiment. These include those who ride with the prime minister in his official vehicle and those riding in

vehicles comprising his entourage, which include soldiers in black with protective helmets who ride on their motorcycles along the side of the prime minister's vehicle. Soldiers from the Armed Forces Security Center have the duty to clear and check out explosive devices and carry out other security measures in the areas into which the prime minister is travelling.

"Son Ad" "Son Ood"

Since the person who will be close to Gen Prem Tinsulanon this year will be changed, that person who will be "beside" "Pa" all the time in place of Major Gen Mongkon Amphonphisit, is (Special) Col Surayuth Chulanon or "Son Ad." The person whom "Pa" calls "Son Ad" must be close to "Pa" at all time, both inside the house and in his office in the Government House. At lunch, if General Prem has lunch at the Government House--usually lunch is brought from Ban Si Sao to eat at the Government House--the only person who will be present with General Prem in that lunchroom is "Son Ad."

As for "Son Ood" or Col Ood Buangbon, his job is at the 1st Cavalry Regiment, King's Guard. Colonel Ood Buangbon "has been with Pa" all along, with his wife also residing in the Ban Si Sao. Col Ood Buangbon has no official duty at Ban Si Sao. There is only the emotional attachment and the father-and-son type of relationship between the two. At Ban Si Sao, Colonel Ood treated General Prem as a father; he has the duty of looking after the house and all the housework there, and to see to it that everything in the house is in order. It is as if he looked after a father, his meal and his sleep. He is off duty only after "Pa" steps out of the house.

Col Phairote Phanitsamai, one of those close to General Prem, has duties both at the general's home and his office. At the Government House, Col Phairote Phanitsamai's duty is to sit in front of the office of the prime minister's secretary, in the hallway of the second floor of the Thai Kufa Building. In that area, one side is the prime minister's private living room; and further inside is General Prem's office, which is connected through the rear door with the office of Squadron Leader Prasong Sunsiri, the prime minister's secretary.

Major General Aphitthep--Commander of AFSC

From now on there will be considerable reorganization of the security system for the prime minister at his Ban Si Sao residence, that is, Maj Gen Aphitthep Intharaphithak, deputy commander of the 3d Army Region, will become commander of the Armed Forces Security Center, Supreme Command Headquarters (a slot for a lieutenant general).

The reason that Major General Aphitthep has been made commander of the Armed Forces Security Center is that Gen Chawalit Yongchaiyut, commander-in-chief of the army, wanted to provide the most versatile and efficient security system for the prime minister. Major General Aphitthep, who belonged to Class 1 of the CRMA--the same class as that of "Big Chiew" and "Big George," will step in to handle the security matter fully, which is different from the past. Then the Armed Forces Security Center almost never got involved in this matter, especially the security matter inside the Ban Si Sao residence. However, in the reorganization of the security system, the forces to be used are still the

same, namely, the soldiers from the Preemptive Attack Company and from the 21st Infantry Regiment, King's Guard, with the forces from the latter still under the command of Lieutenant General Bunsueb Kotcharat.

#### Colonel Sarote--"Samyod Unit"

Colonel Sarote Ropbanrung, an officer who is well recognized for his great performance, who has brought the "Samyod" unit of parachutists who are known for their "courage and bravery," to handle the security matters at Army Commander in Chief Chawalit Yongchaiyuth's Suan Phuttan residence, will be one of those who will come in to oversee the security for Gen Prem Tinsulanon, so that the security of the prime minister at the Ban Si Sao residence, during his travel, while at the Government House, or anywhere at all is one hundred percent problem-free. A "cat's eye" lens that is capable of being attached to a gun, and which enables the soldier to see in the dark as if it were daylight, will be used for soldiers on guard at night at the Ban Si Sao residence.

The provision of security for Gen Prem Tinsulanon every second of the day and of the night does not mean that there is a vulnerable or dangerous situation. One officer who is involved in handling the security told LAK THAI that it would be more fearful if there was no tightening of the security. This type of security would create a situation in which there would be no worry, and all parties concerned would have the peace of mind. "What are the 'procedures in organizing the security system' going to be, how are they going to take place--all these must be acknowledged by the commander in chief, because he is concerned. When he (the C-in-C) was a close aide to the minister of defense (General Prem at that time was the commander-in-chief of the army and minister of defense, and not yet prime minister), he had already organized this kind of security system."

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CSO: 4207/23

THAILAND

NEW ARMY VICE CHIEFS OF STAFF PROFILED

Lieutenant General Charuay Wongsayan

Bangkok LAENG KHAO in Thai 15-22 Sep 86 p 38

[Lieutenant General Charuay Wongsayan, Army vice chief of staff]

[Text] Born 21 June 1930, finished his secondary education level at Annuaysin School, then entered Chulachomklao Military Academy, Class 1, the same class as General Chawalit Yongchaiyut, Army commander-in-chief; Lieutenant General Sunthorn Kongsompong, assistant Army commander-in-chief; Lieutenant General Wanchai Rueangtrakul, Army chief of staff; and Lieutenant General Kasem Sa-nguanchatsarakrai, Army assistant chief of staff for logistics.

Upon graduation, commissioned as a second lieutenant in 1954 and studied as an officer student at the Ordnance School, Army Ordnance Department; from there, promoted and served in a normal series of assignments, for example, executive officer of the 5th Ordnance Company and student at the Army Command and General Staff College.

Assistant chief of personnel, 3d Division, as a major in 1963.

In 1969, ordered to the Vietnam War as chief of logistics, Volunteer Division.

In 1975, as a colonel, moved to chief of intelligence, 1st Army Region.

In 1979, served as deputy chief of staff, 1st Army Region.

In 1981, promoted to major general and made commander, 2d Military Circle.

1983, deputy commander of the Special Forces Headquarters.

1984, moved to Army assistant chief of staff for civil affairs.

Recently, 1 September 1986, appointed by royal decree to be Army vice chief of staff.

In addition to graduating from Chulachomklao Military Academy, Lieutenant General Charuay graduated from a secondary education teacher's college, the Royal Thai Army Command and General Staff College, and the United States Army Command and General Staff College at Fort Leavenworth.



Lieutenant General Charuay is married to Nitaya Wongsayan, they have six children.

Lieutenant General Suchinda Kraprayun

Bangkok LAENG KHAO in Thai 15-22 Sep 86 p 39

[Lieutenant General Suchinda Kraprayun, Army vice chief of staff]

[Text] A native Bangkokian, born 6 August 1933, finished grade 6 at the Annuaysin School, and from there, entered the Military Preparatory School and then Chulachomklao Military Academy.

A graduate of Class V, the same as Major General Wimon Wongwanit, the commander of the Special Forces Headquarters; Major General Issaraphong Nunphakdi, commander of Army Region 2; Major General San Siphon, commander of the 1st Division (King's Guard); and Major General Wirote Saengsanit, commander of the Antiaircraft Artillery Division.

Commissioned a second lieutenant and assigned to the Artillery Officer Student Company, Artillery Center, in 1958; in 1962, served as an artillery battery commander in the 21st Artillery Battalion.

In 1970, ordered to the Vietnam War as operations and training officer of the Volunteer Division, Shift 2, Section 1.

1971, promoted to lieutenant colonel, served as assistant Army attache, Royal Thai Embassy, Washington, United States of America.

1975, as a colonel, served as instructor for staff officers, assigned to the Army Directorate of Intelligence.

1979, promoted to chief, Army Directorate of Intelligence.

1981, moved from the Army Directorate of Intelligence to deputy chief of the Army Directorate of Operations.

1982, promoted to major general and chief of the Army Directorate of Operations.

1985, promoted to lieutenant general and assistant chief of staff for operations.

Recently, 1 September 1986, appointed by royal decree to be Army vice chief of staff.

Lieutenant General Suchinda graduated from the Royal Thai Army Command and General Staff College, Class 44; the United States Army Command and General Staff College, Fort Leavenworth, Staff Officer Course; the United States Army Armor School, Fort Knox, Kentucky, Senior Officers' Course; and the United States Army Artillery School, Senior Officers' Artillery Course.

His wife is Wani Kraprayun (sister of Lieutenant General Issaraphong Nunphakdi), they have two sons.

Lieutenant General Suchinda is a military officer with a bright future, at present, he is chairman of Chulachomklao Military Academy Class V, a position he has monopolized.

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CSO: 4207/14



## COAL

### LIAONING GOVERNOR OUTLINES ACHIEVEMENTS, GOALS OF COAL INDUSTRY

SK020541 Shenyang DONGBEI JINGJI BAO in Chinese 6 Jun 86 Special Edition p 1

[Article by Quan Shuren, governor of Liaoning Province: "Develop the Coal Industry To Ensure the Completion of the Four Modernizations"]

[Excerpt] As an important economic zone in our nation, the three provinces in Northeast China and the Nei Monggol Autonomous Region undertake an important task for realizing the fighting goal of quadrupling the total industrial and agricultural output value by the end of this century. However, shortage of energy resources is a factor seriously affecting the economic development of Northeast China. In order to eliminate the contradiction, the Northeast China and Nei Monggol Coal Industrial Joint Corporation was established in 1983 with the approval of the State Council to make unified planning, development, and management of the coal industry of the three provinces of Northeast China and the areas in the eastern part of Nei Monggol Autonomous Region. Since its founding 3 years ago, the company has strengthened the prospecting and development of natural resources, has accelerated the transformation of mining areas, and has enhanced management over the enterprises under the guidance of the principles of relaxing policy restrictions, enlivening the economy, and rapidly developing existing natural resources. The output of raw coal increased by a large margin thanks to the company's measures for reform. It has made great contributions to accelerating the fulfillment of the Sixth 5-Year Plan and to facilitating economic prosperity and development.

Like the economic zone, our province has made great development in the coal industry over the past few years. The province had prefulfilled the coal production target set forth in the Sixth 5-Year Plan by 1 year. The coal output in 1985 reached 45.41 million tons, an increase of 21.7 percent over 1980. The company has given great assistance and support to our province in terms of conducting geological prospecting of coal mines and cultivating key specialized and technological personnel. A good situation has emerged among local collieries. The output of raw coal in 1985 reached 9.17 million tons, showing an increase of 4.26 million tons over that of 1980 and registering an annual average increase of 852,000 tons. Thus, local collieries have played a key role in our province's energy production. Improvements have been made in coal supply and the coal shortage has been alleviated thanks to

the assistance of the state and the province government over the past few years. The province fulfilled most of the production targets set forth in the Sixth 5-Year Plan 1 or 2 years ahead of schedule. Despite serious natural disasters, the total industrial and agricultural output value in 1985 reached 80 billion yuan, an increase of 13.4 percent over that of 1984. The great changes that have taken place in Liaoning's economy are closely related to the growth of the coal industry. As an old key industrial area, Liaoning has a large number of key enterprises requiring a lot of energy. Thus, the coal supplied by the province's collieries falls far short of demand. The economic zone must make a unified plan to allocate and distribute coal to the province. The growth of the coal industry of the economic zone has played a key role in ensuring a sustained, steady, and coordinated development of our province's economy.

As an open coastal area, Liaoning has rich natural resources and a solid foundation for developing industry. In accordance with the target for registering an 8-percent increase in the annual total industrial and agricultural output value set forth in the Seventh 5-Year Plan, the province's annual industrial and agricultural output value in 1990 should show an increase of 123 percent over that of 1980. Through technical transformation, key trades and enterprises should greatly improve their techniques, notably upgrade the technological level of their products, and greatly increase their economic results. In order to promote economic growth, we should balance the relations between different sectors of the economy and eliminate the weak links in economic development, notably the shortage of energy resources. Although the coal shortage has been alleviated, we have not thoroughly solved this problem. Viewing the province's situation during the Seventh 5-Year Plan period the province's coal supply fell far short of demand. So, the economic zone is required to strengthen coal production to ensure the supply for Liaoning Province. While increasing the output, the economic zone should further solve the problem related to the coal quality so as to make its coal suitable to the needs of economic development. While developing unified distribution collieries, we should further develop local collieries. The economic zone has no authority to develop local collieries and has never succeeded in doing so. Therefore, we should strengthen technical and technological forces and collecting fees for mine construction. Therefore, the Northeast China and Not Manchu Coal Industry Joint Corporation and the unified distribution collieries should continue to vigorously support the growth of the province's coal industry.

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## COAL

### HEILONGJIANG GOVERNOR ON DEVELOPING COAL TO SERVE ECONOMY

SK020840 Shenyang DONGBEI JINGJI BAO in Chinese 6 Jun 86 Special Edition p 1

[Article by Hou Jie, governor of Heilongjiang Province: "Develop Cooperation in Order To Provide More Coal To Vitalize Northeast China's Economy"]

[Text] It has been 3 years since the establishment of the Northeast China and Nei Monggol Coal Industrial Corporation, the largest joint corporation on our country's coal industrial front. Over the past 3 years the corporation has enthusiastically developed cooperation between the trades of the three provinces and one region, and has made contributions to promoting a sustained, steady, and soundly rapid development of coal production. Take for example the four mining administrative bureaus in Heilongjiang Province, whose products are distributed under the state unified plan, namely the Jixi, Hegang, Shuangyashan, and Qitaihe Mining Administrative Bureaus. The annual average increase of raw coal output in these 3 years was 2.438 million tons, setting a record in history. Simultaneously, under the guidance of the province's principle of conducting system reform, technological transformation, and opening to places inside and outside the country so as to make the country and the people prosperous, under the specific guidance of the Northeast China and Nei Monggol Coal Industrial Joint Corporation, and with the great assistance of all collieries whose products are distributed under the unified plan, the local collieries throughout the province have opened up a new situation in which they have registered the fastest growth rate and have made the greatest development since the founding of the PRC. The raw coal output of the local collieries in 1985 reached 19.62 million tons, doubling the figure in 3 years and registering an annual average increase of 3.23 million tons. Thanks to the concerted efforts made by the collieries whose products are distributed under the state unified plan, a situation that has not been seen for many years has emerged in which the contradictions between the supply and demand of coal have been alleviated. Leading cadres of collieries and the vast number of staff members and workers have made due contributions to alleviating the shortage of energy resources and to accelerating the four modernizations.

As has been proven in practice, the policy decision to establish this corporation was a correct measure as well as a useful attempt to open up new avenues for coal industrial development, since the corporation was established in line with the demands of the Northeast China Economic Zone's economic development to carry out unified planning and the system of sharing management between different levels, to rationally develop natural resources, and to arouse the enthusiasm of all fields.

Located in the northern part of the Northeast China Economic Zone, over a long period of time Heilongjiang Province has closely maintained economic relations with Liaoning and Jilin Provinces and Nei Monggol's eastern areas. Heilongjiang Province has rich coal resources and convenient transportation. Through construction carried out over the past 30 years or so since the founding of the PRC, the province has considerably large scope and foundation for coal production and enjoys exceptional advantages in making smaller investments to quickly developing coal resources. According to the strategic development plan of the Northeast China Economic Zone, Heilongjiang Province should concentrate its coal development on serving Liaoning and Jilin Province and strive to produce more good coal, and to make the most of its rich natural resources so as to serve the construction of the entire economic zone. So, our province has tended to vigorously develop its coal production. The founding of the corporation has created profitable and objective conditions for rationally developing coal resources and balancing technological forces. Thus, we cannot separate the rapid development of the province's local collieries made over the past 3 years from the assistance and help provided by the corporation and the collieries whose products are distributed under the state unified plan.

The Seventh Five-Year Plan period is a key period of the nation's economic construction as well as a key period to lay foundation for realizing an economic leap in the 1990's. As an important economic zone and an old industrial base of China, Northeast China has taken on an important task of realizing the quadrupling goal. The shortage of energy resources is the key weak link affecting the economic development of Northeast China. So we must continue to persistently make progress in the course of reform and make greater efforts to develop the coal resources of Northeast China in line with the principle of undertaking unified planning, sharing management between different levels, and conducting rational development. Simultaneously, we should make efforts to quickly and comprehensively develop coal production and provide more and better coal resources for accelerating Northeast China's industrial and agricultural production, particularly the development of such basic heavy industries as metallurgical power and machine manufacturing industries, in an effort to make Northeast China, an old industrial base, take on a youthful look and take a vigorous leap.

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## COAL

### NEI MONGGOL CHAIRMAN REVIEWS COAL DEVELOPMENT

SK010746 Shenyang DONGBEI JINGJI BAO in Chinese 6 Jun 86 Special Edition p 1

[Article by Bu He, chairman of the Nei Monggol Autonomous Regional People's Government: "Accelerate the Development of Coal Resources To Make the Economy of Northeast China and Nei Monggol Flourish"]

[Text] It has been 3 years since the inter-provincial Northeast China and Nei Monggol Coal Industrial Joint Corporation was established with the approval of the State Council. As has been proved in practice during the past 3 years, the decision to establish this corporation was correct and necessary. It has had greatly accelerated the development and utilization of the coal resources in the three provinces of Northeast China and eastern Nei Monggol, in alleviating the strained energy supply in Northeast China, and in making the economy of Northeast China and Nei Monggol flourish.

Coal is the major energy resource of our country. The three leagues and city in eastern Nei Monggol have abundant coal resources, and their coal reserves amount to one-fifth of Nei Monggol's total. With the concern, support, and assistance of the party Central Committee and the State Council, Nei Monggol built the Pingzhuang, Zhalaizu, Dayan, Huolinhe, and Yiminhe coal mines one after another. The establishment of these five major coal mines played a definite role in the development of Nei Monggol's economic construction. However, due to the restrictions of administrative divisions, few lateral ties, and a shortage of funds, the coal resources in eastern Nei Monggol have yet to be fully developed and utilized, and are far from being compatible with the needs of today's economic and social development. The Northeast China and Nei Monggol Coal Industrial Joint Corporation has scored great achievements in its work over the past 3 years. For example, Eastern Nei Monggol's five coal mines, whose products come under unified state distribution. Their raw coal output in 1985 was 56.7 percent higher than in 1982, before the corporation was established, and their investment in capital construction was 97 percent greater. In 1985, they suffered deficits totaling 42.71 million yuan. Compared with 1982, the deficits of the Pingzhuang, Dayan and Zhalaizu coal mines declined by 27.7 percent. In the past 3 years, they turned over 34.762 million yuan in taxes to the state and invested 176 million yuan in supporting 41 projects in pastoral areas. The corporation has provided 19.968 million tons of coal to eastern

Nei Monggol in the past 3 years, an increase of 487,000 tons compared with the period before it was established. These achievements show that the establishment of the corporation, which eliminated the barriers between different areas to carry out lateral cooperation, worked out plans for, developed and managed the coal industry of the three Northeast China provinces and Eastern Nei Monggol in a unified manner, and conducted unified planning for and control over capital construction, geological prospecting, and scientific research and designing of these areas, not only enabled the coal industrial production and construction of eastern Nei Monggol to make notable progress but also made prominent contributions to alleviating the strained energy supply in Northeast China.

The party Central Committee formulated a grand plan and fighting goals for our country during the Seventh 5-Year Plan period. I hope that in line with the actual conditions of Eastern Nei Monggol, the corporation will carry forward its achievements and make still further progress. I also hope that in its future work, the corporation will deal with more successfully the issues concerning the relations of resources development to urban construction, and modernization of pastoral areas, and those of economic development to making the culture and education of various nationalities flourish, and the issues concerning the comprehensive development of coal, electricity, and chemical industrial products, and will make still greater contributions to accelerating the development and utilization of the coal resources of the three Northeast China province and Eastern Nei Monggol, and to making the economy of these areas flourish and prosper.

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## COAL

### BIG NEW FIELD TO BE MINED BY LOCAL COMPANIES

OW131747 Beijing XINHUA in English 1539 GMT 13 Oct 86

[Text] Hohhot, 13 Oct (XINHUA)--China will for the first time designate one of the largest new coal fields to be mined by localities in order to help the resource-rich but economically poor area to prosper.

This was disclosed today by Xiao Han, deputy director of the State Council's energy office, after an inspection tour of the coal field.

The Shenfu-Dongsheng coal field is one of the seven largest in the world, with a verified reserve totalling 17 billion tons. It is situated in the Ordos Basin that embraces southwest Inner Mongolia and northern Shaanxi Province.

The mines will be constructed and extracted by Inner Mongolia and Shaanxi with state loans while the state undertakes to build the railroads to transport and market the coal produced.

This is a new arrangement by the Ministry of Coal Industry. Large coal fields in China are generally state owned and administered by the coal ministry. And only small coal pits are left to localities and individual peasants.

Currently, Inner Mongolia and Shaanxi each has a company working under the administration of the Huaneng Dressed Coal Company, which is directly led by the State Planning Commission.

Under the new arrangements, the two local companies will practice independent accounting, responsible for their own profits and losses, and operate under the state dressed coal company by contract.

The dressed coal company will raise funds and provide loans to the mining companies and is in charge of the purchase, shipment and sale of coal. Anyone who borrows funds will pay them back and the mines then belong to the builders.

This contract system will be good for peasants, the localities and the state. Xiao noted.

"A positive local impact can not be overestimated with such an administration," Xiao said.

The opening of the mines will stimulate the development of local transportation, power industry, the processing of animal by-products and other local industries. A number of coal-fueled power plants may be built there so that the poor area will become one of the largest power industrial bases in China. In addition, the mines will provide large numbers of employment opportunities for local people, he noted.

An expert group will be sent to the coal field this month to make a further inspection before the final decision is made, Xiao said.

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## COAL

### BRIEFS

SEMIANNUAL TARGETS MET--Beijing, 28 Jun (XINHUA)--China's 95 coal mines managed by the Ministry of Coal Industry had produced 203.47 million tons as of 24 June, slightly topping the semi-annual goal, a ministry official said here today. The coal output was up 4 million tons over the same period in 1985, according to the official. The goal for a full 6 months this year was 203.38 million tons. Altogether, China produced 847 million tons of coal last year, about half from the major mines under the ministry's direct supervision. The other half was produced by local coal mines, owned by provinces, prefectures, counties, collectives, or individuals. [Text] [Beijing XINHUA in English 0553 GMT 28 Jun 86 OW] /8918

SHANXI OUTPUT UP--From January to August, coal mines in the province whose products are distributed by the state in a unified way produced 55.37 million tons of raw coal, an increase of 3.11 million tons over the same period of last year. [Summary] [Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 6 Oct 86 HK] /6662

ANOTHER JIANGXI FIND--Nanchang, 20 Oct (XINHUA)--Mining experts in Jiangxi Province have discovered a large coal field with a reserve of more than 130 million tons, officials of the Provincial Prospecting Company said today. They said the coal field, in Qujiang Prefecture of the southeastern China Province, covers an area of 50 square kilometers. "Fortunately, the field happens to be located near existing railroads," one official said. "We'll be able to mine and ship this coal pretty easily." Overall, the officials said, Jiangxi has verified coal reserves of 1.5 billion tons, making it a major source of coal for the nine provinces south of the [Chang Jiang]. [Text] [Beijing XINHUA in English 0632 GMT 20 Oct 86 OW]

SLURRY PLANT BEGINS OPERATION--Shenyang, 2 Nov (XINHUA)--China's first pilot plant to produce coal slurry to replace oil has gone into operation in Fushun coal administration, Liaoning Province. Coal slurry, a mix of coal powder, water, and additives, is 20 and 40 percent better than coal in heating and burning efficiency respectively. With an annual capacity of 50,000 tons, the plant is designed to verify the feasibility of coal slurry in oil-burning boilers and provide such fuel for industrial enterprises. [Text] [Beijing XINHUA in English 0732 GMT 2 Nov 86] /9604

MARINE COAL SHIPMENTS--Beijing, 29 Sep (XINHUA)--Landlocked Shanxi Province, China's main source of coal, has begun using ships to send its output to China's energy-short southeast coast. It sent its first shipment of 20,000 tons east by rail to Qinhuangdao Harbor in Hebei Province and then south by sea to Fujian Province. [Text] [Beijing XINHUA in English 0713 GMT 29 Sep 86 OW] /9738

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## OIL AND GAS

### ZHONGYUAN TO BECOME LARGE-SCALE OIL, GAS BASE

HK040851 Hong Kong ZHONGGUO XINWEN SHE 0730 GMT 1 Nov 86

[Report by Jin Guolin [6855 2654 2651]: "Zhongyuan Oil Field To Be Built Into Comprehensive Base for Producing Oil, Gas"]

[Text] Zhengzhou, 1 Nov (ZHONGGUO XINWEN SHE)--China's petroleum departments are carrying out large-scale prospecting and exploitation of oil and natural gas on more than 5,300 square kilometers of land on the banks of the Huang He in the central plains to build the Zhongyuan oil field into a large-scale comprehensive base for producing oil and natural gas.

This growing oil and gas base is expected to produce 10 million tons of crude oil and 2 billion cubic meters of natural gas annually, by 1990.

The Zhongyuan oil field is located on the border of the eastern part of Henan Province and the western part of Shandong Province. The oil field has rich oil and gas reserves and the volume of natural gas reserves is second only to Sichuan's natural gas fields in China. This is a favorable condition for the oil field to be developed into a new-type oil and gas base.

At present, the state has adhered to the principle of "simultaneously developing oil and gas production" in the development of construction work here. More than a dozen oil and gas fields have been discovered and more than 1,300 oil and gas wells have been sunk. The Zhongyuan oil field now has an annual capacity of 6.3 million tons of crude oil. A gas processing plant has also been built with a daily processing capacity of 550,000 cubic meters of natural gas. This plant is now supplying Zhengzhou and Kaifeng with gas daily. In the coming 4 years, three large gas processing plants with a total daily processing capacity of 2.4 million cubic meters of natural gas will also be built here. They will provide gas for Henan and Hebei Provinces.

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## DUSHANZI BECOMES MAJOR REFINING BASE OF NORTHEAST

Beijing's Drumqi Xinjiang Regional Service in Mandarin 1300 GMT 30 Sep 86

[Excerpts] After 37 years of development, Dushanzi oil refinery, one of China's three major producers of oil, has become an important oil refining base in northwest China, as well as a major pillar of the region's economy.

Equipped with 14 sets of major production installations and 4,890 sets of equipment, it has an annual capacity of refining 1.5 million tons of crude oil, an increase of 22 times over levels recorded soon after the founding of the state. It produces 160 kinds, or 19 lines, of goods under six categories, including fuel oil, lubrication oil, petroleum coke, and asphalt. The number of products made by the refinery has been increased by 23 times compared to that soon after the founding of the state.

During the period between the state's founding and 1985, the refinery had cumulatively delivered 2.7 billion yuan worth products to the state, which is equivalent to the total sum of building 12 oil refineries at the present scale.

The Dushanzi refinery was built in October 1936. After liberation, the declining Dushanzi oil field gained new vitality. By the end of 1960, the refinery had eight sets of major installations and had an annual capacity of refining 500,000 tons of oil. It produced 80 kinds of goods under six categories. After the cracking of the game of four, in particular following the 3d Plenary Session of the 11th CPC Central Committee, the refinery worked hard to improve its intensive refining procedures, readjusted the product structure, and improved the competitiveness of its goods. It therefore remarkably improved the economic results.

In 1982, it successfully developed the dual-purpose hydraulic transmission oil for tractors, the quality of which reached the U.S. standards and even surpassed the quality of the U.S. product in some areas. In 1984, it started producing oil for train axles, which has a property of tolerating the great temperature difference between north and south China. The product thus saves manpower and material resources, speeds up the turnover rate, and saves 1.4 million yuan per year for the railway departments.

In 1985, its annual sales revenue totalled 441.9 million yuan. As it attached great importance to improving the comprehensive economic results of the enterprise, it achieved since 1978 a simultaneous growth in refining volume, gross output value as well as tax and profit delivery.

Last year, it refined 1.302 million tons of crude oil and its gross output value totalled 502 million yuan. The tax and profit delivery totalled 244 million yuan.

In the wake of production development, the refinery often sends thousands of technological core personnel and experts to help develop the Karamay and Drumqi petrochemical plants, (Zekou) petroleum-chemical plant in southern Xinjiang, as well as oil and gas fields in north, central, and east China.

The refinery has also perfected such institutes as a research center, a designing institute, and schools. Cultural and welfare facilities such as hospital, shops, library, and clubs have also been set up. Water and power supply systems are also perfected.

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CSO: 4011/8

## OIL AND GAS

### TECHNOLOGY IMPORTS HELP MAONING PETROLEUM FIRM

OW160450 Beijing XINHUA in English 0259 GMY 16 Oct 86

[Text] Guangzhou, 16 Oct (XINHUA)--The Maoming Petroleum Industrial Company in Guangdong Province has developed petroleum-based export products thanks to use of imported equipment.

The company, the biggest of its kind in this south China province, can now produce 800,000 tons of petroleum-based products for export against 300,000 tons in the past, a company official told XINHUA today.

He said the variety of export products has increased from seven to 21.

"Last year, total export volume reached 170 million U.S. dollars," the official said, "and today, Maoming has become a key producer in south China."

Since it imported hydrocracking equipment from Japan in 1982, the company has produced 1.4 million tons of quality products by the end of last month, with some receiving state recognition for high quality.

The company official said the equipment has generated about 290 million yuan (78.4 million U.S. dollars) in tax and profits turned in to the state in the past 3 years, 2.5 times more than the initial investment for the equipment.

The company, set up in 1955, has also imported paraffin wax molding equipment, thus increasing output and raising quality. Today, it can export more than 10,000 tons of paraffin wax products a year to more than 20 countries and regions, the official said.

The company's lubricant products are now exported to the United States after an automatic filter press was imported from Japan, a key machine for lubricant production.

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CSO: 4010/7

## OIL AND GAS

### WORLD BANK LOANS FOR OIL AND GAS

06010038 Beijing 0400Z 10 JUL 76 (P) 11 00Z 76

[Text] Beijing, 01 Jul (AP) - China received two new World Bank loans totaling over U.S.\$260 million to pay for exploration, development, and production of oil and gas for the Daqing oil field, the largest oil field in the world, and other oil fields in the past 3 years, an official Chinese news agency said here today.

He said at a bid-opening ceremony, which was held in the city of Daqing, that the exploration and development of the oil and gas fields will be completed in the next few years and economic results.

The World Bank is now in the process of examining the projects, the official said.

It is learned that the bank is now in the process of examining the projects, the official said.

The bids which covered the construction of a station for separating, heating machines, dehydrating the oil, and other equipment and services for a separating station in the Daqing oil field, the official said.

Firms from Canada, the United States, Japan, Korea, Italy, Japan, the United States and elsewhere are bidding for the projects, the official said.

This is the first time for China to receive a complete set of equipment for a station of this kind, the official said.

Other separating stations are now being built with the same equipment, computers, and other services, the official said.

/2604

CSG: 0010/17

## OIL AND GAS

### FIRST CHINESE-BUILT OFFSHORE PRODUCTION PLATFORM COMPLETED

OW200840 Beijing XINHUA in English 0748 GMT 20 Sep 86

[Text] Beijing, 20 September (XINHUA)--Work was completed today on the first Chinese-built offshore oil production platform, 200 kilometers southeast of Beijing in the Chengbei oil field of Bohai Bay.

The platform will be operated by the Chengbei Oil Development Corporation of Japan, which will begin production in November, officials said.

With construction supervised by the China Offshore Platform Engineering Corporation, the platform was in part designed as a showcase for Chinese marine engineering and construction.

Hu Yichen, deputy director of the corporation said today China has extensive experience building offshore drilling rigs. But, he said "the building of this production platform will allow us to enter the international marine construction market."

Engineered to meet contemporary international technical standards, the steel platform can produce as much as 4,000 barrels of crude oil and 40,000 cubic meters of natural gas a day.

The production platform was built by the Dalian Shipyard. It includes oil and gas refining equipment and is connected to a utility and accommodation center, built by the Xingang Shipyard. Both the platform and the center were designed by the Shanghai Offshore Engineering Corporation.

The complex stands on steel jackets fixed in the seabed 15.3 meters below. The production platform sits astride 23 oil wells, sunk 1,680 meters into the bay's floor.

The utility and accommodation center includes three electric generators, a desalination plant, and 20 rooms with 74 beds.

The platform has been built in accordance with the standards of the American Petroleum Institute, the American Welding Society and the American Bureau of Shipping in the United States.

/12232

CSO: 4010/3



5. A relatively complete legal system must be created, law must be introduced into life, and socialist legal order must be restored.

It is necessary to rapidly draft laws regarding collective labor, the people's inspection law, and the law regarding state service. Failure to enforce, or strictly enforce, state laws is rather widespread. Urgent, resolute, and strong steps must be taken to overcome that situation. Cadres with position and authority, and party members, who violate laws must be punished more heavily than the masses. I recommend that the state promulgate a law regarding the disposition of illegally obtained property and other sources of illegal wealth, to ensure social justice.

5616

CSO: 4209/67

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

HO CHI MINH CITY SUBDIVISIONS FALL BEHIND IN FULFILLING PLANS

Hanoi TIEU CONG NGHIEP THU CONG NGHIEP 26 Vietnamese 26 Sep 86 p 2

[Article by "T.V.": "Ho Chi Minh City Must Make Even Greater Efforts"]

[Text] By the end of August 1986, Ho Chi Minh City had attained a total output value of 9,064,521,000 dong, 56.45 percent of the annual plan. Of that sum, 7,124,137,000 dong represented the value of goods purchased by the state (55.51 percent of the annual plan) and 1,275,717,000 dong represented the value of exports (57.09 percent).

The following five precincts and districts did a good job of fulfilling their plans: Precinct 3 (67.26 percent), Phu Nhuan Precinct (72.35 percent), Cu Chi District (80.97 percent), and Duyen Hai District (85.51 percent). Four large precincts attained low levels. The highest level among them was attained by Precinct 11, which attained only 54.88 percent. Hoc Mon District attained the lowest level (48.24 percent). Seven precincts and districts attained more than 66.61 percent of their plan norms regarding the delivery of products: Precinct 3 (78.37 percent), Binh Chanh (76.43 percent), Cu Chi (71.51 percent), and Duyen Hai (162.4 percent). Five precincts attained more than 66.66 percent of their export plans: Precinct 4 (104.85 percent), Thu Duc (92.67 percent), Nha Be (87.06 percent), and Duyen Hai (102.9 percent).

The commercial unit of the municipal enterprise federation only attained levels higher than the July levels, but only two units attained high levels: the rattan, bamboo, and leaf sector enterprise federation (62.9 percent) and the lacquerware enterprise federation (63.7 percent). The bamboo blind, carpet, embroidery, and rush mat enterprise federations underfulfilled their plan norms.

In August, it is estimated that a total output value of 1,104,703,000 dong, and delivered goods value of 981,411,000 dong, and an export value of 180,668,000 dong. In comparison to the same period last year, the total output value increased 1.09 percent, the value of delivered goods fell 3.4 percent, and the value of exports increased 71.4 percent.

As of August, the sector had 15,529 production installations with 164,965 workers and work in 594 cooperatives (65,714 cooperative members) and 3,201 cooperative teams (58,124 team members), and included 14,534 individual families (16,054 workers).

Thus in comparison to July there was an increase of eight cooperatives (with 164 fewer cooperative members), an increase of six teams (an increase of 269 team members), and an increase of 84 individual families (with 355 fewer workers). The number of cooperativized workers increased by 105 and the cooperativization ratio increased 0.18 percent.

In general, the plan fulfillment situation in August was a little better than in July, but still fell short of the plan norms that were assigned. With fewer difficulties and more advantages with regard to improved supplies of electricity and materials, during the remaining 4 months the cadres and cooperative members in the sector must concentrate their forces and struggle more strongly if they are to fulfill the plans assigned them.

5616

CS0: 4209/98

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

COLLECTION OF LICENSE TAX EXPLAINED

Hanoi TIEU CONG NGHIEP THU CONG NGHIEP in Vietnamese 26 Sep 86 p 3

[Article: "License Taxes"]

[Text] License taxes were promulgated in the law of the Council of State, dated 26 February 1983, which amended a number of matters regarding industrial-commercial taxes, in order to meet the requirements of inventorying, controlling, and classifying the individual and collective industrial-commercial installations. Along with commercial registration and the other kinds of taxes, license taxes ensure tight management by the state of the industrial-commercial activities.

With regard to the categories paying license taxes, Decree No 19/HDBT, dated 23 March 1983, of the Council of Ministers, stipulated that "All industrial-commercial installations which are required to pay taxes in accordance with the industrial-commercial tax statutes and the commodity tax statutes must pay license taxes"

There are six levels of license taxes: 10 dong, 20 dong, 50 dong, 100 dong, 300 dong, and 500 dong.

The basis on which to determine the license tax level is the income (commercial income minus expenses but not minus income exemptions) of the production or commercial installation. The tax table is as follows:

1. With regard to individual economic installations:

Tax Step	Monthly Income	Annual Tax
1	More than 500 dong	500 dong
2	300 to 500 dong	300 dong
3	200 to 300 dong	100 dong
4	100 to 200 dong	50 dong
5	50 to 100 dong	50 dong
6	Less than 50 dong	10 dong

Step	Monthly Income	Annual Tax
1	More than 5,000 dong	500 dong
2	2,000 dong to 5,000 dong	300 dong
3	1,000 dong to 2,000 dong	100 dong
4	Less than 1,000 dong	50 dong

License taxes are collected once a year, on 1 January. Organizations and individuals which began to do business during the first 6 months of the year must pay the annual tax, but if they began to do business during the last 6 months they must pay 50 percent of the annual tax. Thus the license tax does not depend on the total time business was done but when it began. That matter is based on the goals and requirements of the license tax, as mentioned above.

Commercial organizations or individuals doing business in many different sectors and trades must pay separate license taxes for each sector and trade.

If, after paying license taxes, the commercial unit changes its sector or trade, or the products in which it does business, as requested by the state, and it has the approval of the precinct or district tax office, it may change its license and not have to pay the license tax.

If commercial units which have paid the license tax move to another precinct or district, or to another province or municipality, as requested by the state, they may change their license at tax office of the new precinct or district, in accordance with a letter of introduction from the old precinct or district.

Commercial organizations and individuals are responsible for paying the license tax by the deadline and in amounts announced by the tax organ; for doing business at the location, and in the sector, trade, or goods listed on the license; for reporting immediately to the tax organ every time there is a change in their commercial activities; and for not renting out or lending their license.

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CSO: 4209/98

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

EDITORIAL URGES COMPLIANCE WITH ECONOMIC LAWS

Hanoi NHAN DAN in Vietnamese 22 Sep 86 pp 1, 4

[Editorial: "Respecting the law in Economic Activity"]

[Text] In economic management, democratic centralism is an important principle expressing unification in strengthening the leadership of the party and the management functions of the state, and developing the ownership rights of the people.

To properly achieve the democratic centralism system in economic management, it is necessary to achieve labor assignment and management decentralization to ensure the ownership rights of all three echelons: central, local and basic, and to closely connect responsibility with power and obligation with benefit with every activity in compliance with the law.

In practice, there have appeared a number of model sectors, localities and basic units engaged in good, dynamic and effective economic activity respecting the principle of democratic centralism, and many cadres with ability and good qualities engaged in economic tasks following the socialist accounting and business practice course and ensuring respect for the laws of the state.

At the present time however, on one hand a state of bureaucratic centralism in economic management and operations is fairly serious; and on the other hand, a situation of liberalism, disorganization and disciplineless in economic activities is also serious and widespread. Not a few degenerates and deviants in the state area, especially in those sectors and basic units controlling money and comprising even a number with management responsibility, have taken advantage of loopholes in the old management mechanism and of a number of economic policies, systems and regulations to seek favors, steal, engage in corruption and misappropriate socialist property. This group has conspired with speculators and smugglers outside the state area, both with a "similar purpose," to rely on each other in stealing the material supplies and goods of the state, to enrich themselves illegally, and to live unrestrainedly on the backs of the legitimate laborer. These are the harmful parasites of society. The law and the people will not permit them to continue their criminal activities.

On the basis of renewing the management mechanism along a course of socialist economic accounting and business practices, and taking the plan as the center of importance, it is necessary to strengthen organization and discipline and to restore discipline and order in social and economic management and to ensure the law in economic activities. Sectors, echelons and basic units must strictly comply with the decisions of the central government and must respect the law.

Strengthening the socialist legal system in the economic field is an extremely important requirement for raising the management effectiveness of the state, and ensuring the collective ownership rights of the people.

The elimination of corruption in conjunction with that of speculation and smuggling are urgent tasks in the present situation with the purpose of overcoming losses in state material supplies and goods, ensuring the effectiveness of economic activity, restoring the discipline of the party and the law of the state, strengthening the confidence of the people, and strengthening the worker-farmer alliance. It is necessary to resolutely eliminate corruption from the state apparatus at all levels, especially in those agencies controlling material supplies, assets, money and goods, to rely on the masses of the people to discover and suitably and promptly punish deviant and degenerate cadres and personnel, and those stealing, accepting bribes, conspiring, and taking advantage of their position and power to misappropriate and sabotage socialist assets, and to recover the assets they have stolen. It is necessary to organize open prosecution of criminal violations precisely in accordance with the regulations of the law, to swiftly implement the legally effective sentences, and to publicly announce the prosecution results of serious violations to the people.

Basic level party organizations, especially in economic sectors, must strengthen political, ideological, ethics and quality education, and strengthen party member management. Upper party committee echelons must strengthen their leadership and inspection of lower echelons. Every party member and every citizen must respect the law. Every economic and social activity must be managed with order, discipline and practical effectiveness.

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AGRICULTURE

VICTIM

#### CHEMICAL FERTILIZERS STILL IN SHORT SUPPLY

Banl NEAN DAN in Vietnamese 25 Sep 86 p 2

[Unattributed article: "Increase Fertilizer for Agriculture"]

[Excerpt] The mission of foremost importance of the chemical industrial sector is the production of such fertilizer to support agriculture. During the years of 1983-1985, the sector increased the annual rate of fertilizer production by 20 percent. Chemical fertilizer output rose from 200,000 tons in 1983 to more than 500,000 tons in 1985. By the end of 1985, the entire sector had achieved more than 420,000 tons, surpassing the norms set forth by the Fifth Party Congress and doing so 1 year early. Due to an initial understanding that agriculture is the foremost front, and oriented toward the fields, the cadres and workers of the entire sector accelerated the production rate to achieve more than 500,000 tons, an increase of 80,000 tons over 1984 and surpassing norms set by the Resolution of the Fifth Party Congress by 100,000 tons.

Each year, agriculture requires approximately a few million tons of standard nitrate fertilizer, 800,000 to 900,000 tons of superphosphate, and a few hundred thousand tons of potash while we annually have only about 1.5 million tons of standard nitrate fertilizer (primarily imported), and 600,000 to 700,000 tons of superphosphate, etc. These figures prove that a great distance still exists between production and requirements and that the demands of agriculture are still not truly being promptly answered.

During the past few years, the fertilizer production sector has twice expanded the Iam Thap Superphosphate Plant, raising the plant capacity from 100,000 to 350,000 tons; the output of Baked Potash Enterprise 1 has increased from an annual 100,000 to 200,000 tons; the Vinh Thinh Chemical Enterprise has advanced to two missions of both processing and supplying ore raw materials to other processing facilities, etc. The Lao Cai apatite mining area has and is continuing to expand to a fairly large scale of operations and the presence of phosphorite ore is being confirmed in many regions, assisting local fertilizer processing industry with conditions for development. Nevertheless, due to many objective and subjective reasons, especially the fact that because the supply of material supplies, raw materials, coal, electricity and ore still has many difficulties, shortages, improper types, shortcuts in time, waste in various steps, etc., equipment capacity and production efficiency reach only about 80 to 90 percent.

Fertilizers in general and chemical fertilizers in particular are an extremely important factor in achieving intensive cultivation in agriculture and, and to create important steps in the yield and quality of agricultural products.



Besides the types of chemical fertilizer such as nitrate, phosphate and potash, crushed phosphate has no small effect on crops. The practical experience of a number of localities in the four districts of Thuy Nguyen, An Hai, Ba Son and Hoa An (in Haiphong) in the use of this type of fertilizer over an area of more than 400 hectares during the 1985-1986 winter-spring season indicated that average yields increased by 5 to 6 quintals per hectare. The chemical sector has and is assisting local areas with the resources to establish crushed apatite processing facilities with an increasingly greater volume and increasingly higher technology to support local areas specializing in the raising of rice and subsidiary food crops.

740

1986 8/27/110

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

DAC LAC PEAT DEPOSITS DEVELOPED

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Sep 86 p 3

[Article by Tran Huu Tong: "Peat in Dac Lac"]

[Text] Dac Lac has peat.

Geologists have evaluated the reserves of the Cuoc Dang peat mine and technically analyzed its peat, which is being mined to serve local industry and being used as cooking fuel and to process fertilizer. For the first time in our history geologists have been successful in finding peat in that red-soil area. We went to the geology and ores institute to meet with Ho Vuong Binh, M.A., the project director and editor of the scientific report on the Cuoc Dang peat mine. He and the authors had just returned after submitting the report to Dac Lac Province. His backpack and clothing were dyed with the color of red soil but his smile was truly bright. He happily said:

"My main occupation is geological research. In the Central Highlands I am paying attention to the process of disintegration, transformation, and agglomeration in the process of forming metal-bearing and metamorphosed ores. But no geologist can be indifferent with regard to the nation's mineral resources in the surveying trips they take. I participated in the "Central Highlands II" program for 2 years with a group of scientists. In recent years we have carried out five geological surveys in the northern part of the Central Highlands. We have an advantage with regard to the environmental geochemical speciality an effective method in discovering mineral layers beneath the surface. Therefore we located, evaluated, and tested peat so that it could promptly be used to serve local industry. We knew that that was a scientific research project that would take years, but that because it was necessary to meet the local production needs to contribute to promoting the national economy it had to be completed within a few months. We worked urgently and with a strong sense of responsibility. We also want to speak of that successful scientific project to the soldiers who fought in, and are now defending, the rich Central Highland, so that they, along with us, will respect, treasure, and maintain the natural resources and maintain the natural resources of our Fatherland." Ho Vuong Binh told about the red-soil areas in the Central Highland and the feats of the geologists participating in research project No 48-09-02-02-01, of which he was the director.

The Central Highlands--a key economic area in our country--has large resources of such export goods as coffee, rubber, pepper, tea, etc. However, there is a shortage of fertilizer and, especially, an increasingly serious shortage of energy for domestic consumption and industry. Every year a medium-sized state farm consumes about 10,000 tons of wood. Wood used for domestic consumption and industry in the Central Highlands amounts to about 1 million tons a year. Thus the forest area is being continually reduced, which results in a lowering of the water table and an ecological imbalance. It is necessary to prevent the destruction of forests, i.e. we must find alternate sources of energy. In the Central Highlands, the sources of energy which have received attention include wind power, solar power, and hydroelectricity. The first two are only potential sources of energy. Hydroelectricity is a strong point of the Central Highlands but requires a great deal of investment capital, which cannot be provided in the immediate future. Thus it is necessary to pay attention to another form of energy: peat. The Central Highlands form a vast area which is covered by a carpet of tropical rain forests in many different phases of geological development, so why should there not be peat? Starting with that thought, we reviewed all geological data up to 1985. Data on peat in the Central Highlands was very scarce. In the project to study peat in Vietnam (44-22-23-01), which ended in December 1985, the Central Highlands were neglected!

At the beginning of 1985, when fulfilling the mission of analyzing the geochemical environmental factors in estimating the biological content of ores in depressions between mountains in the northern Central Highlands (45-04-02-22-01) we had the occasion to study and systematize the geological-geochemical data. For the first time we discovered many depressions with peat accumulation potential. As a result of two field surveys in 1985, more than 15 peat locations were discovered in the northern Central Highlands. They included five locations at which we are evaluating reserves and quality and testing the peat in order to serve local industry in Duc Lac and Gia Lai-Comg Tum provinces.

In the course of studies of the morphological system--altitude and the conditions of formation and ages of the layers--in general the factors leading to the accumulation of peat in the depressions between mountains in the northern Central Highlands were categorized into layers at altitudes of from 1,500-1,700 meters to 2,000-2,300 meters which were of Paleocene age, distributed at Ngoc Linh, Chu Yang Sin, etc. In such places, because of strong metamorphoses and erosion, the geochemical environment is characteristically oxidized, and there is rapid water flow on and under the surface. Thus there are no conditions for peat accumulation.

In mountain groups with elevations of between 1,300-1,500 meters in the Dalat area, or between 200-400 meters to 1,400 meters in the Konplon, Mdrak, and Di Linh areas, in general the mountain slopes are relatively steep, the water flow is rather strong, the erosion process is more prominent than the accumulation process, and the geochemical environment tends toward oxidation, so there are conditions for the formation of peat depressions on notable scales. In the remaining valleys at elevations of between 100-200 meters and 400-700 meters, which we encountered in the basins of the Peko, Ba, Srepok,

and other rivers. Those were formations with surfaces which afforded conditions for the accumulation of peat on an appreciable scale.

From the analysis of the above-mentioned preconditions and surfaces, in order to predict the depressions which contained peat, we paid attention to the various kinds of depressions on the basis of analyzing the morphological structure of the depressions relative to the local depressions. That type of depression was found south of Buon Me Thuot. They are related to a process of stopping the flow through three Kainodoi layers and developing into marshy areas hundreds of square kilometers in extent. They include many small depressions in which there were peat accumulations around Lake Lac, Nam Da, and the area southwest of Buon Me Thuot.

Another form of local depressions created a chain of small peat-bearing depressions along the valley of the Ba River from Cong Tum-Cheo Reo to Tuy Hoa. Those places are the exposed lower layers of Neocene age, over which peat is located (Crong Pha-Cong Tum). The peat there is normally not exposed on the surface but buried under younger accumulations.

Depressions between mountains are related to the succeeding terrain in the phases of formation Kainodoi basalt and can be encountered in the exposed layers not fully covered by basaltic eruptions. Thus the peat is only partly exposed and the rest is covered by younger layers of basalt. That kind of basaltic soil is in the La Son, Duc Co, Bien Ho, and Buon Ma Thuot city areas. In those areas where borings usually showed thin layers of peat that had been pressed down and transformed into powder form, causing the ash content to increase as much as 60 to 70 percent. Most of the models are classified as clay-coal.

The depressions between mountains on a basalt rock base are ordinarily retrogressive. The great majority accumulate organic materials. In some places those materials are strongly oxidized, which leads to the presence of biological contents in iron ore (such as at An Phu, Play Cu, My Thach, Hoa Khanh, etc.). The amount of organic material is less than 10 percent and is accumulated in soil layers of insignificant thickness.

Due to the effects of many years of irrational destruction of forests and wartime devastation, little remains of the primary forest vegetation carpet in the Central Highlands. However, the formation of peat-bearing hollows is not determined by the present forest carpet but was accumulated tens of thousands of years in the past. The results of analyses of vegetable matter and pollen of peat samples at Cuoc Dang, An Phu, etc., showed that they were in the mid-Holocene period or even earlier.

In order to determine the places with peat accumulation we focused on the hollows between mountains in the Central Highlands. In general, those hollows are located in three geochemical environments: oxydized, transitional (fermenting), and deoxydized. Peat-bearing hollows with large deposits are usually located in deoxydized environments. The transitional environment is usually characterized by the process of deoxydization in the dry season. Thus in some locations the effect of the oxydation process in the dry season

resulted in the underground burning of the peat layers (at the Thanh Binh location there was underground burning during the 6-months dry season and at the An Phu peat location there was underground burning throughout February 1986. In fact, the process of peat formation in those hollows was formed in deoxydizing environments in the past. But at present, in part because haphazard destruction of watershed forests has lowered the water table to the extent that there is an oxydizing environment during the dry season, which has created the situation of underground burning.

From surveys of forest areas we isolated a number of laws determining the distribution of peat hollows in the Central Highlands.

The peat-bearing hollows have areas of from hundreds of hectares to thousands of hectares and their average thickness is more than one meter. Those hollows are situated in a deoxydizing geochemical environment. Peat lies below the local topsoil layers of the river and large (Class 1) stream systems. Of that type, the most notable are the peat-bearing hollows south of the city of Buon Ma Thuot, in Krong Ana District, etc.

The small depressions of about 100 hectares are usually found in suspended form in closed or semi-closed valleys, and lie beneath the class 2 and class 3 stream systems. The geochemical environment is essentially deoxydized. We encountered such peat bogs at Cuoc Dang (Cu Ngar District) and at a number of locations in Krong Buk District and Krong Peak District (Buon Ma Thuot).

At first we evaluated the reserves and quality, and tested, a number of peat locations to promptly serve local industry in Dac Lac and Gia Lai-Dong Tam provinces in 1985 and 1986.

We discovered the Cuoc Dang (Dac Lac) peat mine in March 1985, then evaluated reserves and quality and tested the peat so that it could be used as domestic cooking fuel, to bake bricks and tile, and to process fertilizer. We submitted the scientific report on that peat mine to Dac Lac Province at the beginning of April 1986. At present the Cuoc Dang peat mine is being exploited to promptly serve many different sectors and trades. In addition, there is still considerable peat potential in Dac Lac.

The Cuoc Dang peat mine is located in a semi-closed valley, which created a marshy area covering nearly 200 hectares. The peat lies directly above a layer of blue-gray clay because of the presence of ferric oxide in a deoxyfying environment. Beneath that layer of clay there is a layer of young basalt. With regard to reserves, calculations have affirmed that they amount to 900,000 cubic meters. Grade A peat accounts for more than 30 percent of those reserves. At an annual exploitation rate of 60,000 to 70,000 cubic meters, the Cuoc Dang mine will last about 10 years. The peat is exposed on the surface of the valley and has an average thickness of one meter.

The results of technical testing show that the Cuoc Dang peat may be used for cooking fuel, to bake bricks and tile, and to produce fertilizer.

This year we will complete the evaluation of peat test its use in local industry by using it to dry tea at the Bau Can state farm in Gia Lai-Dong Tam.

Every year the Bau Can tea state farm requires 6,000 cubic meters of firewood to dry tea. At present it is encountering many difficulties in transporting firewood from locations hundreds of kilometers away. In addition, limiting the destruction of forests is an urgent task posed by the central and local echelons. For that reason we accepted the mission of discovering, and evaluating the reserves and quality of, peat in a number of peat-bearing hollows within a radius of 30 kilometers around the state farm to meet its needs for fuel to dry tea until the year 2000 (14 years). That was difficult task, but in view of the urgent production requirements and because it has great significance with regard to scientific research, we worked urgently in analyzing the environmental geochemical factors and carried out a number of practical control trips. As a result, we discovered peat locations in the northern Central Highlands. That proved that the method of analyzing the geochemical environmental factors was effective in finding small deposits in metamorphosed layers.

At the end of the meeting, Ho Vuong Binh happily said that finding a new source of energy in the red-soil-area--one of our country's economic centers--was a new "feat of arms" on the part of the geology and minerals institute which contributed practically to serving industrial production and the lives of the local people. That was an accomplishment to celebrate our party's Sixth Congress.

5616

CSO: 4209/99



LIGHT INDUSTRY

VIETNAM

FOOD INDUSTRY OFFICIAL URGES ACCELERATED DEVELOPMENT

Hanoi NHAN DAN in Vietnamese, 1989, pp. 3

[Article by Luu Thi Young, Minister of Food Industry: "Developing the Food Industry Sector is Our Goal"]

[Text] During the past 5 years (1981-1985), although many difficulties were encountered, thanks to the strong all-out efforts of the food industry sector, the relevant sectors, and the country's people, the food industry sector developed well. In 1985 the production of food industrial products was 1.2 to 2.2 times greater than in 1980, and the production of sugar and cigarettes attained the norms set by the Fifth Party Congress. The country's export value increased 150 percent. A number of important food factories, factories producing vegetables, fruits, and beverages, modern for buildings, and many modern and small processing installations were built and brought into production.

However, the development of the food industry was still limited, and was devoted to industrial food items produced slowly and was inefficient (at present, only about 30 percent of the same area set aside for growing rice crops is being used). Some processing still was slow, and the quality of some types of agricultural products was low. The output of processed foodstuffs did not meet the needs of domestic demand. Except for a few production sectors which used more than 70 percent of their equipment's capacity, the sector mobilized only 10 to 20 percent of the production capacity of the processing industry. The quality of products, including export products, was unstable and tended to decline.

The principal reason for this situation was that the policies regarding investment, prices, ownership of enterprises, and the distribution of profits to localities producing raw materials were not yet appropriate.

Capital, FOC (petroleum, fertilizer, etc.) and machinery investment in production, intensive cultivation, and processing, and afforestation every year were insufficient, so it was impossible to rapidly increase the industrial foodstuff crops output and quality. Some state farms which were set up decades ago to grow such crops did not have the planned area, seeds, and sufficient roads, water, electricity, and processing facilities were not built in the past several years. The cultivation system



The state purchase prices for raw materials were not amended over a long period of time and the profit ratios among the various kinds of crops were unsuitable, and in some cases the peasants did not recover their production expenses. Agricultural materials were not supplied in sufficient quantities (on the average, they met only 30 percent of the needs or on schedule, so that they could be used for intensive cultivation. There were continual shortages of grain and manufactured goods, especially in the north. The policy of dividing budgetary income between the central and local levels was irrational and did not encourage the localities and peasants to grow additional amounts and sell agricultural products in accordance with the state plan.

Therefore, nearly all of the food processing installations, including the large, medium, and small ones of the central and local levels, lacked raw materials for production.

In industry, most of the processing installations were built many years ago and had become backward and decrepit. There was a lack of completeness and balance in the production line, there were insufficient warehouses and support installations, etc., but there was no investment of foreign exchange, materials, and replacement parts and equipment to restore, complete, and modernize the processing installations, so their actual capacity greatly declined, product quality declined, and the waste of materials, fuel, and energy increased greatly. Investment in the construction of new processing installations was limited and dispersed. Every year only about 10 percent of the production installations under construction were brought into production and the construction time was often prolonged, sometimes for decades, which accelerated depreciation.

With regard to industrial production, every year the balances with regard to raw materials, materials, energy, and foreign exchange did not ensure that the central and local enterprises could bring into play their production capacities, or even fulfill the plans assigned them.

With regard to the organization of management, in recent years the bureaucratic centralism-state subsidies management mechanism has impeded the development of the food industry. At the same time, the situation of dispersal has created a situation of competition in buying and selling agricultural raw materials and processed foodstuffs, for both domestic consumption and export, which has created additional difficulties for food industry production.

In order to fulfill the party line on economic development during the period of transition to socialism and meet the needs of the people's lives and export, in coming years there must be a strong development of food industry production, along the lines of positively exploiting the latent capabilities with regard to labor and land, and the broad application of scientific-technical advances, in order to rapidly increase yields and area of industrial food crops according to plan. There must be in-depth investment, the improvement or replacement of old, backward equipment which does not produce with economic effectiveness, the improvement of industrial technology, and the expansion of factories capable of being expanded. At the same time, it is necessary to build additional processing installations on scales

appropriate to each raw material area, in order to rapidly increase the output of processed foodstuffs, meet the consumption requirements of society, increase exports, and increase socialist accumulation.

Along those lines, efforts must be made to, by 1990, attain the goal of doubling the output of the various kinds of primary processed foods and the sector-wide export index in comparison to the levels attained in 1985.

That is a difficult and important mission which demands that all levels, from the central level down to the local level, and from the sector level down to the basic level, make very great efforts in reorganizing production and forming a nationwide food processing industry network. It is necessary to positively "correctly combine the development of the central economy with the strong development of the local economy in a unified national economic structure" and clearly affirm that the role of the central economy is serving as the "economic-technical backbone of the food industry sector." It is necessary to strengthen alliances and joint operations in order to do a good job of exploiting the production development capabilities and strengthen all aspects of management to improve the productivity, quality, and effectiveness of production and commerce. Among the measures of a decisive nature, the sectors and echelons must fully understand the party's line of "regarding agriculture as truly being the foremost front" and "promoting the production of consumer goods and export goods," manifested above all in the food industry in the structure of investment in food industry crops and the food processing industry.

With regard to food industry crops, it is necessary to invest in intensive cultivation to increase the yields of agricultural raw materials. Materials must be supplied in the full amounts and on schedule, advancing to supplying in advance the various kinds of chemical fertilizers, insecticides, POL, etc., to the areas specializing in growing raw materials, on the basis of two-way economic contracts. At the same time, it is necessary to step up investment in building up the infrastructure in the existing specialized cultivation areas, invest in expanding the area in accordance with the state plan, first of all in developing the raw materials areas, in order to supply the processing installations which lack raw materials. In addition to the existing state farms and a number of new state farms set up where conditions permit, the expansion of area is still concentrated in the collective and family economic sectors (with regard to such crops as coconut, pepper, fruits, etc.) to do a good job of fulfilling the slogan "The state and the people work together, the central and local echelons work together." By means of the forms of economic alliances among the consuming units and the units producing agricultural raw materials, it is possible to fully utilize labor, capital, cultivation facilities, and organic fertilizer of the localities and peasants in intensive cultivation and expanding the food industry crop area. The purchasing and processing enterprises invest in the raw materials areas with regard to technology, supply seedstock, guide intensive cultivations, and support the localities and cooperatives with regard to capital to expand the growing area and build local roads and water conservancy projects. At harvest time, payments are made with products.

Furthermore, there must be a policy to rationally distribute profits between the central and local echelons and a policy to distribute products which are essential needs of the people and are produced from raw materials supplied by the localities within and without the plan. All of this will serve to encourage and mobilize the localities to do a good job of fulfilling their territorial functions vis-a-vis carrying out plans to develop the food industry and strengthen guidance in developing production and selling agricultural products to the state.

With regard to the processing industry, first of all there must be in-depth investment, including some foreign exchange, in the installations to restore equipment, expand production capacities, and complete and modernize production lines, in order to improve the quality of products, the quality and appearance of packaging, and reduce the use of material and labor. There must be investment in constructing additional installations on all three scales--large, medium, and small--in areas with sufficient raw materials, in order to, within a few years, utilize at least 70 to 80 percent of capacity. It is necessary to extensively develop the use of small, semi-mechanized, and small mechanized facilities produced domestically to produce sugar, tea, fish sauce, confections, etc., to meet the needs of the local people. At the same time, it is necessary to build a number of large, modern factories in localities in raw materials areas with concentrated areas of cultivation. During the plan periods it is necessary to assure that such installations are the key installations so that investment can be concentrated and efficient and so that they can be brought into operation within a short period of time. Of course, such projects must be carefully calculated and bring about real economic results.

In industrial production, it is necessary to ensure the balancing of raw materials, materials, energy, and foreign exchange so that the enterprises can fulfill the plans assigned them. Furthermore, the processing installations must form more economic alliances, obtain additional raw materials, materials, and foreign exchange from the sectors and localities in order to fully utilize the capacities of their equipment and learn to produce additional social products.

Stepping up research and the application of technical advances is an extremely important measure in increasing the productivity, quality, and effectiveness of production and commerce. With regard to crops, it is necessary to concentrate on researching and widely applying intensive cultivation, and high-yield and high-quality varieties, and advancing to the unified management of a number of food industry crops. In the processing industry, there must be concentration on the topics of improving the quality of products and packaging, especially the export products, saving the waste of raw material, materials, and energy, improving product quality, and creating many new products.

Strengthening international cooperation with the Soviet Union and the socialist countries which are members of COMECON in the sphere of food industry is an important measure in fully utilizing the international division of labor and, by means of the economic cooperation treaties, carry out complete programs with objectives include the exchange of materials for agricultural

and industrial production, construction materials, and equipment for land clearing, afforestation, and the construction of large-scale factories with modern equipment, primarily to serve exports. At the same time, it is necessary to expand cooperative relations with the other countries and international organizations to gradually create conditions to export food industry products to the Zone 2 markets.

In creating a structure to attain objectives and adopting measures to develop the food industry sector in future years, it is necessary to pay attention to the principles of democratic centralism, management according to economic-technical sector, and combining management by sector with management by locality and territorial area. At the central level the enterprise federations and enterprise combines at the national or regional level are responsible for specialized economic-technical management in accordance with plans to develop production and processing, technical equipment, the training of cadres and workers, the application of scientific-technical advances, and the study and recommendation of sector development policies. In the provinces and municipalities there should be set up enterprise federations or enterprise combines the local, provincial, or district food industry sectors with the state enterprises managed by the province or district, and the small industry and handicrafts food processing installations, under the guidance of the food processing enterprise federations directly under the provincial or municipal people's committee. Whether managed by the central or local level, on the part of the processing installations, purchases from the units producing raw materials and agricultural products must be direct, in accordance with economic contracts, and not through intermediaries, as stipulated by the spirit of the Central Committee resolutions.

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LIGHT INDUSTRY

VIETNAM

STATUS OF ARTISTIC GOODS EXPORTS CALLED ALARMING

Hanoi TIEU CONG NGHIEP THU CONG NGHIEP in Vietnamese 26 Sep 86 p 5

[Article by Tan Minh: "Artistic Goods for Export In an Alarming State"]

[Text] The artistic export goods production sector, with such unique, graceful products as coconut fiber rugs and rattan mats, which are popular on foreign markets, are a strength of Hau Giang and contribute notably to the foreign exchange earning of the nation in general and the localities particularly.

However, since the beginning of the year the activities of the artistic export goods sector have seriously declined. During the first 6 months, the total value of production was only one-third of the annual plan. Contracts were signed for the delivery of large quantities of many goods but the production level attained was very low. For example, one contract called for the delivery of 30,000 square meters of woven XX7 car mats but only 2,997 square meters, 5.9 percent of the plan, were produced. There was a contract for 30,000 square meters of AKH colored split-bamboo mats but only 4,250 square meters--8.5 percent of the plan--were produced. Were the products lacking in quality or was there a shortage of raw materials? What is the "key" to that problem?

The contracted price is low and labor has declined:

There were many reasons for that situation. An outstanding reason, which the provincial cooperative federation and export goods supply corporation realize but have not been able to resolve: the contracted price is irrational, which seriously affects the production and lives of the handicraft workers. At present, the payment for weaving a rattan plate is five dong each and the payment for twisted coconut fiber is 0.07 dong per meter. The average income of a handicraft worker is 9 to 12 dong a day. In view of the current situation of market prices, that is not enough to buy a bowl of rice gruel. With an average income of 300 to 360 dong per month (not supplemented by any other allowances), the handicraft workers don't make enough to meet their personal needs. Many have had to abandon the cooperative teams, especially the cooperatives and cooperative teams producing "unprofitable" goods which require much labor, such as weaving car mats, coconut fiber rugs, rattan plates, etc. The number of cooperative members working directly in those



sectors has declined by 40 percent. Many cooperatives and teams have on their own accord increased the prices paid to workers in order to keep the existing handicraft workers and attract new ones. Are those units willing to accept losses? In fact, that is not the case: the management boards of the cooperative teams and cooperatives used other funds to earn profits, about which we will have more to say later.

#### Irrationalities:

With regard to products for which the state provided raw materials to the contracting installations, the contracted price was not appropriate to the actual situation and has not kept up with the market prices. The installations which produce in the form of buying raw materials and selling finished products had an even more "tense" situation because the prices of raw materials increased greatly while the finished products remained at fixed prices. The price of one square meter of and XY7 mat was 29.55 dong, while the price of raw materials was 28 dong. That is not to mention the installations spending money to buy raw materials, but when they sold finished products the bank released the money to them "drop by drop," so their cash flow was slow and the installations were on shaky ground.

The state has stipulated that the sectors with export goods are allowed to keep 25 percent of the foreign exchange they earn. Of that 25 percent, 40 percent goes to the management echelons and 40 percent goes to the people who directly produced the goods, in the form of such exchange goods as cloth, PXL [petroleum, oil and lubricants], electrical appliances, etc. But in fact those exchange goods do not reach the direct producers. Most of the producers only receive the stipulated contracted price, while the exchange goods go to the heads of cooperative teams and the cooperative boards of directors. A meter of imported cloth costs 2.1 rubles, a ton of cement costs 231 rubles, etc., so at the exchange rate of 18 Vietnamese dong per ruble, added to internal expenses, the prices of goods are still five or six times lower than the market prices. For that reason, a number of installations have taken the initiative of increasing the prices paid to workers so that they can receive the exchange goods and take advantage of the price disparities. By that method it is possible to temporarily cope with a difficult situation. When the contracted prices are low the workers abandon their jobs and production falls, but that method also gives rise to negative phenomena. The exchange goods practically never reach the producers. Many different kinds of exchange goods are sent down from the central level to the provincial level and then to the production installations, but most are unsuitable to the needs and buying power of the workers, and that does not take into consideration internal expenses, warehouse expenses, etc., which causes their prices to increase greatly over the original prices. Where those goods go and whether or not they remain in the proper "orbit" or not must be clarified.

The contracted prices are still the most urgent problem at present for the artistic export goods sector. In order to resolve that problem the functional sectors must study the adjustment of prices so that they can be appropriate to the actual value of the products, and it is necessary to reduce expenditure for social events, conferences, etc. At the same time, it is necessary to add the price disparities of exchange goods to the contracted prices of finished

goods, or distribute them fairly so that the direct producers will not be harmed.

The production of artistic goods for export is one of the strengths of the small industry-handicrafts sector, but at present the contracting out of export goods production is declining and the living conditions of thousands of handicraft workers are very difficult. The time has come to sound the alarm so that the functional organs, departments and sectors can work together in urgently resolving those problems.

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LIGHT INDUSTRY

VIETNAM

ARTISTIC HANDICRAFTS IN PHU KHANH FALL SHORT OF PLAN

Hanoi TIEU CONG NGHIEP THU CONG NGHIEP in Vietnamese 26 Sep 86 p 5

[Article by Ngoc Vu and Hong Phong: "Why Have Artistic Handicrafts in Phu Khanh Fallen Short of the Plan?"]

[Text] Thanks to its correct understanding, Phu Khanh was one of the first provinces in the nation to set up an artistic handicrafts export-import corporation under the enterprise federation. That is a great advantage for developing the province's artistic handicrafts in order to export increasingly larger amount in recent years.

However, this year, especially since Tet, the province has encountered many difficulties in producing items made of rattan, bamboo, or leaves, and artistic handicrafts for export. They may be categorized into three major difficulties: prices, sources of raw materials, and consumer markets.

With regard to prices:

The prices of materials and raw materials on the Phu Khanh market increased rapidly and suddenly. As a result, after buying raw materials the producers of many goods calculated that they could not afford to produce the goods because they had no money to pay for labor. The prices of some products, such as coconut fiber mats and pads were less than the raw materials.

The materials imported from abroad, which are balanced in accordance with stable prices, but there are no guideline prices for local raw materials and nearly all producers live with the free market. Except for purchasing grain supplied by the state, they must buy materials at increasingly higher prices. Even the supply-selling mode is unstable.

That situation greatly affects the production installations and directly affects service to the business of the Artistic Handicrafts Export-Import Corporation.

With regard to materials and raw materials:

The corporation was not supplied materials in full and complete amounts by the Barotex and Artexport general corporations. Cotton cloth for white embroidery

was not only not supplied for the 1986 plan but was not delivered in full amounts for the 1985 plan. Colored dyes for rattan and rush items and paint for bamboo blinds were in short supply over a long period of time.

Packaging and bamboo slats were dependent and prices and specifications were continually changing so the corporation lost hundreds of thousands of dong. Therefore, it dared not stockpile them so that it could be self-sufficient.

Most of the sources of raw materials were local, but they were not planned and unified, their exploitation was not well organized to serve export, and they were even allowed to "float" on the free market. Merchants were allowed to increase prices and corner the market. Proof is afforded by Dong Xuan District, which has the most reeds in the province. Although the Artistic Handicrafts Export-Import Corporation requested the supplying in advance of a quantity of materials and goods so that the localities could purchase them in accordance with contracts, it did not receive them and did not organize their purchasing. Meanwhile, thanks to concern by the district people's committee, Khanh Son District, although it did not have much reeds, purchased and supplied to the corporation nearly 20 tons of dried reeds. Thus several installations in Nha Trang had raw materials for production.

Regarding the market:

This year the consumer market has undergone major changes. The two products with the greatest value (more than 10 million rubles-dollars), dyed bamboo blinds and painted bamboo blinds, were rejected by customer because they no longer suited the tastes of consumers and their quality was lacking. The production of leaf items slowed down and no contracts were signed until July. The products which the market required in large quantities, such as coconut fiber, rush, rattan, and white embroidery items, could not develop because prices were irrational, there were shortages of materials and raw materials, and there were shortages of capital and material to invest in the large-scale mechanized production of coconut fiber items (made from coconut shells).

Because of those problems, the production of artistic handicrafts for export in Phu Khanh fell short of the plan will be in an alarming situation if there is no change in the mechanism. As of the end of July total output amounted to only 1,005,235 rubles-dollars, equal to only 24.45 percent of the annual plan.

Although the plan norms were underfulfilled, the cadres, cooperative members, and the Artistic Handicrafts Export-Import Corporation made notable all-out efforts. They took the initiative in seeking all ways to exploit and purchase raw materials, and took the initiative in introducing new, marketable products to replace products which did not move on foreign markets, such as wooden chairs with lathe-turned legs, products made from copra, rush items, white embroidery items, bamboo items, woven leaf items, etc. Those efforts included forming alliances to bring in hundreds of tons of jute and bags from Thai Binh and Long An; appropriate investment in production in areas growing raw materials such as 10 hectares of rush in Tuy Hoa, 30 to 40 hectares of rush in the fields of Nha Trang; and the good exploitation of 6 million coconuts a year to obtain 360 tons of coconut fiber for use in production. The corporation brought in five machinery systems for producing coconut fiber in

the districts of Song Cau, Tuy Hoa, Cam Ranh, and Nha Trang, and increased the capacity to produce such items by more than 120-fold.

Direction for resolving problems:

The provincial cooperative federation took positive, strong steps to overcome the decline in the production of artistic handicrafts for export:

Positively recommending that the Ministry and the general corporations promptly readjust prices to stimulate production.

Urgently receiving the goods paid by the Ministry of Foreign Trade for 1985 and the first 6 months of 1986 so that it could pay the full amounts to the installations and localities in order to partly make up for difficulties in production and life.

Positively pursuing sources of raw materials inside and outside the province to serve the production of goods during the remaining months.

Improving the quality of artistic handicrafts to gradually regain prestige and dominate the market.

Finding ways to transfer 2,000 cooperative members from producing bamboo blinds to the production of CB76, assembled bamboo, blinds, white embroidery, rush and coconut fiber items, etc. More than 700 new embroidery craftsmen were trained.

The Artistic Handicrafts Corporation had to obtain 150 to 200 tons of dried rush and more than 1,000 cubic meters of wood to produce chairs with lathe-turned legs for export.

It obtained sufficient cloth for the contracting embroidery-production installations. Along with the Nha Trang enterprise federation, it invested in the construction of an additional sizing installation to complete the production of white embroidery.

During the remaining months, the Phu Khanh small industry-handicrafts sector must produce a large quantity of artistic handicrafts for export. That mission is rather difficult in view of the continuing difficulties. However, with the determination of the cadres and cooperative members in the sector, Phu Khanh will endeavor to attain an output value of 1.5 million rubles-dollars during the last 5 months. To produce that quantity of goods, in addition to the efforts of the localities, considerable assistance will be required from the central echelon, especially the Ministry of Foreign Trade, in finding markets and changing the product line, as well as in promptly supplying all necessary raw materials and adjusting prices to encourage handicraft workers to produce goods for export.

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CSO: 4209/98

LABOR

VIETNAM

# MORE FAIRNESS TOWARD WAGE EARNERS URGED

Hanoi QUAN DOI NHAN DAN in Vietnamese 9 Sep 86 p 3

[Article by Nguyen Nguyen: "Ensure Living Conditions and Justice for Salary Earners"]

[Text] The cadres, workers, civil servants, and wage-earners in Ho Chi Minh City form a very large force. After the issuance of Resolution 8, the great majority of the salary earners hoped that something would change to ensure their living conditions, so that they could devote everything to serving society.

But the actual situation did not develop as people hoped. The buying power of the new money did not equal that of the old money and it was only a matter of course that the salaries of wage-earners would greatly decline.

In the past, with the state subsidy system, a working couple with three children between the ages of 10 and 15 a rice ration of about 70 kilograms. No matter how difficult things were, every month they could come up with 28 dong to buy enough rice for the family. At present, that same family, with an above-average salary (i.e. an income of 750 to 850 dong) cannot afford enough rice for the entire family because in view of the rice price of 17 dong per kilo it would need 1,190 dong. Since they do not have enough money to buy rice, there is no reason to mention buying other things, such as firewood, vegetables fish sauce, or school books for the children, not to mention medicine when someone is ill.

Because life is so difficult, even the most honest people must come up with schemes to earn a living and support the family. Therefore, many negative phenomena will arise which cannot be fully foreseen.

We know that with the present price of rice the city would have had to pay subsidies of more than 300 million dong a month to the various kind of workers. Such an expenditure would be too great for the city's finances. But we also know that in many other places rice is sold at the same price to workers and dependents. That has given rise to an unfair situation and a lack of uniformity among the party and state policies toward dependents, most of whom are children of cadres, workers, and civil servants, which has brought

about complicated psychological changes in the children because they felt that they have been abandoned by society.

We recommend that the party and governmental echelons from the central level down to the local level promptly unify the policies so that the various categories are treated with equal fairness, fairness, on the basis of everyone's minimum living standards being guaranteed.

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LABOR

VIETNAM

#### CADRE PROMOTION, SELECTION PROCESS NEEDS IMPROVEMENT

Hanoi NHAN DAN in Vietnamese 22 Sep 86 p 3

[Article by Le Trong Luu, Binh Tri Thien Finance-Price Sector: "Cadre Selection and Promotion"]

[Text] We have boldly promoted a large number of cadres to answer economic and social management requirements but have no specific standards for each sector and each cadre level. In examining management cadre promotion, it is necessary to carefully study the standards in political quality, professional ability, and individual ethical behavior.

During the recent past, many localities have chosen cadres for promotion usually slanted toward one aspect or another without weighing all factors.

We wish to propose a number of opinions on cadre work as follows:

--When promoting a cadre in any sector, attention must be given to the cadre's professional work in that sector, or other sectors with mission and professional functions similar to that sector. This is a basis for developing the abilities and strong points of cadres.

--Basic units as well as organizational sections at all levels must have a plan for coordinating with and training ranks of neighboring cadres, and recognizing those cadres with weak aspects in order to give elementary and advanced training in those aspects, not desiring nor waiting for the "perfect" cadre before promotion, and also not depending on upper echelons to provide leadership cadres for the basic unit.

--When transferring village and cooperative cadres to the district level, they should not be immediately promoted to a leadership position even though they are cadres with management ability and good ethnical qualities (with the exception of individual cases). These cadres should take part in actual practice to acquire an additional grasp of the profession or attend an advanced training class of that sector.

--Some time after being promoted or appointed, any leadership or management cadre not developing his professional ability must be dismissed and replaced with another cadre, not permitted to stagnate the development of business and production activities.



--The time has come that the state must have standardization of the leadership and management cadre ranks at all levels (functions must accompany professional, vocational, political, management organization, etc. standards). These are the objectives in which cadres must constantly strive to improve their abilities. It is also necessary to emphasize those cadres who have not gone through school but truly have management and professional abilities and good political qualities. Our state must have a policy of priority for these cadres with many contributions in the tasks of protecting and building the fatherland, but must not for that reason neglect abilities and standards when arranging work.

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HEALTH, EDUCATION, AND WELFARE

VIETNAM

RURAL AREA CADRES NEED TIMELY, CONCISE INFORMATION

Hanoi NHAN DAN in Vietnamese 22 Sep 86 pp 2, 4

[Article by Huu Tho: "Information Policy for Basic Level Cadres in Rural Area"]

[Text] We conducted interviews with six cooperative directors and five team chiefs concerning one similar question:

"During the recent past, have we had any new policies and guidance concerning agriculture?" We intentionally did not ask those we thought to be substandard. Everyone answered a few questions and not one recalled half of the "subjects" of major policies, much less the contents.

When posing the question above, we knew the answers we would receive. This is because of a source document before my eyes which although incomplete, still has a full 374 pages in small type. If an explanation and guidance is added, who knows how many pages it would take. Before leaving on the assignment, one reading showed the frustration, not to mention for those in the villages. This is still not counting a number of repetitious and extremely difficult to read documents.

These days in the rural area, a fairly large management cadre rank has been formed. The entire nation has more than 13,000 cooperatives and more than 37,000 agricultural production collectives. There are also 100,000 production units and teams. If we calculate that each cooperative management committee has from three to five members, the ranks of agricultural management cadres must reach hundreds of thousands of individuals. Usually, the cultural standards of these cadres are not yet high. In the Red River Delta, the annual cooperative member congress replaces up to 20 and in some places up to 40 or 50 percent of the cooperative directors. Those newly receiving responsibility must have a grasp of policy and the grasp of new policy is only the first step in achievement organization. However, in order to grasp policy, there at least must be a policy to grasp. Here is the bottleneck! If not cleared to the basic level, every action of upper echelons no matter how good will be in form only without substance.

The policy of providing information to the basic level has extremely many aspects and is worth discussing. Let's talk only about the printing of books and documents for the basic level. There is a great desire for a "book collection for the basic level" that is clearly printed and easy to read; and along with the source documents, there is a need for explanatory and guidance documents.

When returning to the rural area, one sees a number of fliers introducing new varieties and planting techniques beautifully printed by the Technical Information Center and the Ministry of Agriculture. The farmer pastes them on the wall both to remember and as a decoration. However, these documents are still too few. There is a need for thin documents providing guidance on the management and technical work of cooperative and production collective cadres. These small thoughts have a great significance, worthy of a task by a major publishing house. The writing of manuals for directors and team chiefs is not easy but is deserving of work done by well-known professors, doctors and engineers.

The number of management cadres at the basic level amounts to tens of thousands of individuals but behind them are tens of millions of laborers. This is a fairly large number of readers. Sales without subsidization are possible because, compared with an egg or bunch of bananas, the price of a book cannot be called high. If a thorough calculation is made and with books written about practical problems, it would not only be beneficial to the rural production and construction movement but also could be profitable, even more than the printing of detective novels which it seems are slightly greater.

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HEALTH, EDUCATION AND WELFARE

VIETNAM

READER SUGGESTS BETTER FOOD SANITATION INSPECTION

Hanoi NHAN DAN in Vietnamese 22 Sep 86 p 2

["Readers' Letters" column: "Food Sanitation Inspection"]

[Text] Daily in many large cities, the small privately operated restaurants usually consume up to dozens of tons of beef, pork, chicken, etc., most of it transported by merchants from distant provinces. To evade taxes, they must conceal the meat and it therefore spoils and loses quality. Even the newly butchered beef contains many worms. Nevertheless, many establishments use spoiled meat to make pho [rice noodles and beef or pork] for sale. There are even shop owners who substitute buffalo and horse meat for beef with no one inspecting or stopping them.

We think there is a need for a system to closely inspect the food quality and sanitation of stores as there is for taxation. The public health network in the subwards must not only conduct normal disease prevention but must participate in food sanitation inspection. The tax and market management sector, besides its mission of business inspection such as keeping track of tax rates, business income and goods, must also give concern to the quality of food and the sanitation of these privately operated food and beverage establishments.

Le Thi Hoai  
Hanoi

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